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AYRES'S FINANCIAL REGISTER OF BRITISH & FOREIGN FUNDS &c &c 1857.

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AYRES'S
FINANCIAL REGISTER

OF

BRITISH AND FOREIGN FUNDS, BANKS, ETC., ETC.,

FOR

1857;

CONTAINING AN ACCOUNT OF THE PRINCIPAL MATTERS RELATING TO THE

FINANCES OF THE UNITED KINGDOM,

WITH A SKETCH OF THE

REVENUES, EXPENDITURE, AND COMMERCE

OF

FOREIGN NATIONS;

ALSO AN ACCOUNT OF

FOREIGN BANKS AND BANKING,

AND OF THE

FOREIGN SECURITIES NEGOTIATED IN LONDON.

TO WHICH IS ADDED

AN ABSTRACT OF THE RULES AND REGULATIONS

OF THE

LONDON STOCK EXCHANGE.

A VARIETY OF INFORMATION IS ALSO GIVEN

ON

BANKS AND BANKING IN THE UNITED KINGDOM.

THE LONDON JOINT STOCK BANKS, THEIR PRESENT POSITION, AND THEIR LATEST BALANCE SHEETS; SAVINGS BANKS, RAILWAYS, MINES, TITHE-RENT CHARGES, PROPERTY AND INCOME TAX, FOREIGN EXCHANGES, FIRE AND LIFE INSURANCE, ETC., ETC., ACCOMPANIED BY NUMEROUS STATISTICAL TABLES, ARE COMPRISED IN THE WORK, AND BROUGHT DOWN TO A RECENT DATE.

(An Appendix will be Published Annually.)

BY

HENRY AYRES,

EDITOR OF THE "BANKERS' CIRCULAR AND FINANCE GAZETTE,"

AND

AUTHOR OF THE "STATE OF THE NATION"—THE "REPEAL OF THE MALT TAX"—AND THE "READJUSTMENT OF TAXATION."

LONDON:

RICHARDSON BROTHERS, 23, CORNHILL.

[*The Author of this Work notifies that it is his intention to reserve the right of translating it.*]

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PREFACE.

In sending forth to the public a new book under a new title, some few remarks are necessarily expected from the responsible Author. It is, however, neither his intention nor his desire to preface this volume with a cumbrous introduction, but simply to introduce it to public notice with such explanations and observations as the various subjects upon which it treats seem to demand. The title selected for the work—*Financial Register*—in a partial sense, explains the nature of its contents; but as no publication of a similar character has hitherto embraced so wide a field in financial subjects, the Author will briefly explain the principal objects he has had in view in the compilation of the work.

Not only in this country, but throughout the world, the subject of Finance has, of late years, assumed a degree of importance that cannot be overrated. The financial condition of a nation is the basis on which its power is maintained; and when that is suffered to decay, the dignity and authority of a Government are weakened, the whole community is thrown into confusion, and trade and commerce are paralysed by its withering influence. To uphold the financial condition of States has, therefore, become one of the most essential branches of political science.

Again, the commercial and social intercourse amongst nations has now become so general, that any inconvenience experienced by the financial difficulties of one country, is communicated rapidly to another; thereby rendering a knowledge of the financial condition of various kingdoms more than ever desirable, especially in a country possessing such vast resources as England. There is scarcely a spot on the globe where her commerce does not penetrate, or where some portion of her wealth is not distributed; to her, then, a knowledge of the financial position of other countries is of the highest importance.

In the arrangement of this work, the Author has, therefore, embraced the financial condition of Foreign nations, first giving prominence to the finances of the United Kingdom, under the various forms in which they present themselves.

To Banks, and Banking, in the United Kingdom, is devoted a special chapter, with a historical sketch of the Metropolitan Joint Stock Banks, and the state of the law for regulating Banks to the present time.

A chapter is also devoted to Foreign Banks and Banking: these establishments are now become so numerous, especially in France, Spain, and Germany, that they occupy a very important place in Foreign finances; indeed, so numerous are they, that they have done much to change the entire state of credit throughout the continent of Europe within the last few years. In giving an account of these institutions, the Author has studied less to define the extent of their operations, than to enunciate the governing principles by which they are conducted in each country, in order to show the various systems upon which different nations have based their credit.

With regard to the Debts and Revenues of Foreign Nations, connected with this country, the Author has arranged them in alphabetical order, and has brought down the information concerning them to a recent period. In a future volume this subject will admit of further extension.

The Miscellaneous portions of the work have been devoted to those subjects which occupy a prominent position in financial matters. It may, perhaps, be said of some, that they have not been treated sufficiently in detail to be of practical utility; but in the present volume, the Author has only carried into effect a portion of his design; and he purposes, in a subsequent one, to embody new matter with a variety of financial information not generally found in a single publication. In the next volume it is intended to enter fully into the details of Railway Finance, and a variety of subjects that could not possibly be comprised in a single volume to do them justice.

The Author is sensible that some explanation is due for the delay in the publication; and in stating the reasons, he feels confident that his apology will not be altogether unacceptable. His desire has been to render it as complete as possible for the class for which it has been designed; but the field became so extended as he advanced, that the amount of labour far exceeded what was originally contemplated. He must not, however, omit to notice here the very friendly assistance which he has received from gentlemen capable of giving him information upon particular subjects; and also for suggestions in the framing of the work; to such the Author expresses his best thanks: and he would specially mention the name of Dr. Otto Hübner, the learned and well-known statist of Berlin, to whom he is principally indebted for the historical sketches of Foreign Banks.

The Balance Sheets of the Metropolitan Joint Stock Banks are taken from the latest published reports; and the Author acknowledges with thanks the courteous manner in which information has been supplied to him by the Managers of these institutions. If it should be said that some of them have not received the attention they deserve, it has arisen from circumstances difficult to control in the formation of a publication of this kind; but as it is intended to continue it as a periodical

devoted especially to Financial subjects, the Author will be happy to receive, at all times, any information or suggestions for improvement.

As far as the facts are concerned which are found in the pages of the work, the Author begs to inform his readers that they have been selected from the best authorities, and principally from official documents. If any error should be found amidst the numerous calculations which the work embraces, an intimation of it will be gratefully received.

In matters of opinion, the Author has only claimed that freedom of thought and expression so fully enjoyed and appreciated in this country by writers of every class. And, in conclusion, he has only to add, that he now places the results of his labours before the public, relying upon it for a just estimate of their merits.

HENRY AYRES.

Office of the Banker's Circular and Finance Gazette,
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September 1*st*, 1857.

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ERRATA.

At page 270, line 48, for *Foncière de Paris*, read *Banque Foncière de Paris.*

At page 271, line 10, for £2,000,000, read £2,400,000.

At page 273, line 5, omit "July 28th, 1857."

At page 273, third line from the bottom, for "it has created *coupures* in sums of 1,000 francs, &c.," read, "it has created *coupures* of 500 francs, and 100 francs, on sums of 1,000 francs, &c."

AYRES'S

FINANCIAL REGISTER

FOR 1857.

CHAPTER I.

THE PUBLIC DEBT OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND.

In a Treatise like the present, which is designed for the practical business of life, it will scarcely be expected that a detailed account of the National Debt should be given; indeed, to accomplish such an undertaking would require several volumes to do justice to the subject: but as the author of the present publication has no such object in view, it will be treated only in a condensed form, in which the leading characteristics will be set before the reader in a clear and succinct manner.

The National Debt of the United Kingdom has for generations constituted a topic of great interest amongst financial writers, both English and Foreign; nor does it appear to have lost any of that interest whenever there has been an occasion to discuss the subject, from the time of William Pitt to the present day: nor is there the slightest probability that any interval of time, however extended, can detract from it that universal importance which it attaches to the British nation. When Sir John Sinclair undertook to write the *History of the*

Public Revenue of the British Empire in 1784, he had no conception of the difficulties of the task he had engaged to perform. What, however, appeared to him as difficulties in its performance, have increased considerably since the publication of his work: for instead of a Funded Debt of £637,660,465, and an Unfunded Debt of £22,877,954 in January, 1804, the close of the French Revolution, in 1815, left upon the United Kingdom a Funded Debt of £864,822,000, and an Unfunded Debt of upwards of £44,000,000 sterling, involving an annual charge of above £32,000,000. Such was the climax to which this debt had arisen when the Treaty of the Peace of Paris was concluded in November, 1815, after an interval of 127 years from the origin of the Debt in the year of the Revolution 1688. The following statement shews the aggregate amount of the Debt at different periods in history since its commencement to the Peace of Paris in 1815, and the annual interest chargeable thereon:—

	Debt. £	Interest. £	Public Revenue. £
Public Debt at the Revolution in 1688	664,263	39,865	2,001,885
Debt contracted during the Reign of William III	15,730,439	1,271,087	
Debt at the Accession of Queen Anne in 1702	16,394,702	1,310,952	3,895,200
Debt contracted during this Reign	37,750,661	2,040,416	
Debt at the Accession of George I. in 1714	54,145,363	3,351,368	5,691,800
Debt reduced during this Reign	2,053,128	133,807	
Debt at the Accession of George II. in 1727	52,092,235	3,217,561	6,762,000
Debt reduced during twelve years' Peace, ending 1739	5,137,612	253,526	
Debt at the commencement of the Spanish War in 1739	46,954,623	2,964,035	6,874,000
Debt increased during seven years' War	31,338,689	1,096,979	
Debt at the end of the Spanish War in 1748	78,293,312	4,061,014	6,923,000
Debt reduced during eight years' Peace	3,721,472	664,277	
Debt at the commencement of War in 1756	74,571,840	3,396,737	7,127,000
Debt increased during seven years' War	72,111,004	2,444,104	
Debt at the end of the War in 1763	146,682,844	5,840,841	8,523,440
Debt reduced during thirteen years' Peace	10,739,793	364,000	
Debt at the opening of American War in 1775	135,943,051	5,476,841	10,265,400
Debt increased during eight years' War	102,541,819	3,843,084	
Debt at the end of the American War	238,484,870	9,319,925	11,962,000
Debt reduced during ten years' Peace	4,751,261	143,569	
Debt at the commencement of the French War in 1793	233,733,609	9,176,356	16,658,814
Debt contracted during the French War, ended 1815	631,088,832	23,048,948	
Public Debt of the United Kingdom at the consolidation of the English and Irish Exchequer in 1817	864,822,441	32,225,304	72,000,000

Since the year 1820 several changes have been made in the perpetual or funded debt. In that year the amount of capital charge-

able with interest at 3 per cent. per annum was £539,946,506; the sum of £30,642,128 at 3½ per cent.; £75,496,163 at 4 per cent.; and £155,479,513 at 5 per cent. per annum; making the total capital £801,565,310, and the annual interest chargeable thereon £28,064,720.

There are several means by which the annual *interest* on this Debt has been diminished, which it is desirable to notice. The reduction has been effected under the following heads:—

1. By Stock purchased by the Sinking Fund, £1,932,346.
2. By Stock transferred for Life and Terminable Annuities, £1,399,878.
3. By Stock transferred for Redemption of Land-Tax, £63,301.
4. By Stock purchased with unclaimed Dividends, £88,737.
5. By Stocks converted from a higher to a lower rate of interest, £17,372,483.
6. By Stocks paid off, £994,286.

In 1822 the 5 per cent. Annuities were reduced to 4 per cent., which increased the latter to £233,979,939, and effected an annual saving of £1,207,134 by a reduction of interest, and £139,713 in the stock of dissentients paid off. In 1824 the Old 4 per cents. were reduced to 3½ per cent. and the 5 per cents. of 1797 to 3 per cent., reducing the annual interest £381,834 and £216,895 by paying off dissentients of the 4 per cent. loan. In 1830 another reduction of the Debt was effected, by converting the New 4 per cents. into 3½ per cents., thereby reducing the annual interest £6,040,281 and £114,103 by paying off dissentients. In 1834 the 4 per cents. of 1826 were reduced to 3½ per cent., reducing the annual interest £259,591; by paying off dissentients £165,324, and by transfer of £3,671,700 to the Bank of England, being one-fourth of the debt due by the Government to that establishment, the interest on which was £110,151. In 1841 the interest on the debt due to the Bank of Ireland at 5 and 4 per cent. was reduced to 3½ per cent., effecting an annual reduction of £23,307. The next important reduction in the annual charge on the Public Debt was in 1844,* when the 3½ per cents. were reduced to 3¼ per cent.,

* The interest on this stock was reduced by the same Act to 3 per cent. in Oct., 1854, and not to be redeemable until after the 10th of Oct., 1874.

effecting a diminution to £8,702,969, and £3,617 by paying off dissentients. In 1853, under Mr. Gladstone's scheme for converting a part of the Public Debt (consisting of South Sea and other Annuities) into New $3\frac{1}{2}$ and $2\frac{1}{2}$ per cents. and Exchequer Bonds, an annual reduction to £91,063 was effected, and £241,384 by paying off dissentients. In 1854-55 the reduction of interest on the reduced $3\frac{1}{4}$ per cents. was £618,661. The total reduction of interest on the permanent debt from 1820 to March 31, 1855, was £21,851,031; but during the same period there have been also numerous additions which it is necessary to notice.

The *increase* of interest during the above-mentioned period has arisen under the following heads:—

1. By Stock created by Loans.
2. By Stock created by Exchequer Bills funded.
3. By Stocks exchanged from a higher to a lower rate of interest.
4. By Stock unclaimed ten years, re-transferred to the proprietors.

The total amount under the 1st head is £1,805,396, commencing with the Sinking Fund Loan of £12,000,000 in 1820 by Act 1 Geo. IV., c. 22, the interest on which was £559,800. In 1834 the creation of 3 per cents. on payment of £3,671,700 to the Bank of England by 4 and 5 Will. IV., c. 80, increased the annual interest to £122,400. In 1835 the Slave Compensation Loan of £15,000,000 in 3 per cents. and £1,734,353 in $3\frac{1}{2}$ per cents. for the Island of Barbadoes, added to the annual interest £510,702, and in the following year £120,304 by the creation of $3\frac{1}{2}$ per cents. for the Cape, Mauritius, and Virgin Islands. In 1841 additional stock was created in 3 per cents. to raise £2,467,432, which increased the interest £65,951; and in 1847 a loan of £8,000,000 for the relief of distress in Ireland increased the interest £268,156. In 1848 stock was created in 3 per cents. to raise £2,000,000, the interest on which was £68,653.

The interest added under the 2nd head amounts to £983,476, of which the first was £342,400 in 1826, on the funding of £8,000,000 of Exchequer Bills, and in 1829 £3,000,000 of the same securities were funded. The remainder of the interest added to the permanent debt arose chiefly from the funding of Exchequer Bills between 1836 and 1844, of which £237,646

arose from funding on account of Savings' Banks, and the remainder on account of Exchequer Bills funded on account of the Treasury.

The amount of interest added to the cost of the Public Debt by the conversion of stocks from a higher to a lower rate of interest, amounted to £13,862,416, of which the sum of £5,285,246 arose from the conversion of the New 4 and 5 per cents. to 3½ per cents. in 1830, and £8,081,328 by the conversion of the 3½ per cents. into 3¼ in 1844: the other interest arose from the conversion of the 4 per cents. of 1826 to 3½ per cents. in 1834, with some few others in 1824 and 1825, and the creation of 3½ per cent. and 2½ per cent. stocks in exchange for South Sea Annuities in 1853.

The interest increased by unclaimed stock re-transferred, amounted to £20,697. The total increase in the interest from 1820 to March 31, 1855, amounted to £16,671,985. The actual reduction in the interest on the funded debt during the above period is the balance between the increase and the reduction, thus:—

Reduction of interest	£21,851,031
Increase deducted.....	16,671,985
	£ 5,179,046
Add fractions	47
Actual reduction of Debt to March 31, 1855	£ 5,179,093

These changes made in the details of the *interest* on the Public Debt are of much more importance than the changes made in the *capital* of the funded debt, as the effect of such Debt is measured, not so much by the capital amount as by the annual interest chargeable thereon. But to those who are curious to know the progress of the funded debt, it may be stated that the amount *created* from 1820 to March, 1855, was £523,358,606, under the four following heads:—

1. By Loans.
2. By funding Exchequer Bills.
3. By conversion of Stocks.
4. By unclaimed Stock re-transferred to proprietors.

The following is a statement of the Debt *created* under each head from 1820 to March, 1855:—

Loans created. £		Exchequer Bills funded. £		Stock created for Stocks reduced. £	
1820,	31,104,000	1826,	8,560,000	1822,	7,472,422
1821,	461,538	1829,	3,045,000	1824,	21,358
1822,	2,365,655	1836,	1,177,878	1825,	1,318,255
1834,	4,080,000	1837,	1,702,989	1830,	150,803,769
1835,	16,734,353	1838,	648,264	1831,	7,108
1836,	3,437,270	1839,	5,956,292	1834,	10,622,910
1841,	2,198,371	1840,	546,627	1844,	248,656,273
1847,	8,938,547	1841,	4,751,393	1853,	3,248,416
1848,	2,288,434	1842,	1,191,177		
		1843,	44,847	Total,	422,150,511
Total,	71,608,168	1844,	15,217		
		1853,	1,274,761		
		Total,	28,914,445		

The amount of debt created by the re-transfer of stock unclaimed for ten years was £685,482, which, added to the sums above, make up the total of £523,358,606, the amount of debt created from 1820 to March, 1855.

The amount of debt *redeemed* during the same period was, by stock purchased with the Sinking Fund, £79,462,282, including Sinking Fund Loan of £17,064,000 in 1820; by stock transferred for Life and Terminable Annuities £44,132,498; by stock transferred for Redemption of Land-Tax £2,110,450; by stock purchased with unclaimed dividends £2,920,750; by conversion of stocks £410,166,517; and by £27,900,745 by stocks paid off; making the total amount of debt redeemed £566,693,242. The actual amount of debt redeemed, therefore, stands thus at the end of the above period:—

Debt redeemed	£566,693,242
Debt created	523,358,606
	£ 43,334,636
Add fractions.....	27
Actual reduction of capital to March 31, 1855*	£ 43,334,663

* The above analysis has been compiled from *Par. P.* 496, 1855.

In order to shew the position of the Permanent Debt at this period, it is necessary to remark that changes were made in the finance accounts, by which they were brought down to the 31st of March in each year, instead of the 5th of January, an alteration which has destroyed the uniformity of dates without producing any advantage in the mode of keeping the public accounts. The Permanent Debt, in accordance with this change, stood as follows on the 31st of March, 1855 and 1856:—

	Unredeemed Debt, March 31, 1855. £	s.	d.	Unredeemed Debt, March 31, 1856. £	s.	d.
GREAT BRITAIN:						
New Securities, 2½ per cent. ..	3,001,746	1	7	3,001,746	1	7
Debt due to Bank of England, 3 per cent.	11,015,100	0	0	11,015,100	0	0
Consolidated Annuities, 3 per cent.	367,306,375	18	5½	390,631,502	18	1
Reduced Annuities, ,,	113,817,791	18	5	113,561,242	16	3
New Annuities, ,,	215,352,309	1	8	213,987,638	9	10
New Annuities, 3½ ,,	240,746	6	4	240,746	6	4
New Annuities, 5 ,,	431,124	19	4	431,124	19	4
Total of Great Britain	711,165,194	5	9½	732,869,101	11	5
Annual Interest	21,329,773	6	6½	21,980,890	10	11
IRELAND:						
New Annuities, 2½ per cent.	6,029	15	7	6,029	15	7
Consolidated Annuities, 3 ,,	5,710,268	12	10	6,566,317	7	4
Reduced Annuities, ,,	120,078	3	8	140,983	7	5
New Annuities, ,,	32,011,478	16	5	33,097,493	12	9
Debt due to Bank of Ireland, 3 per cent.	2,630,769	4	8	2,630,769	4	8
New Annuities, 5 per cent. ..	2,000	0	0	2,000	0	0
	40,480,624	13	2	42,443,593	7	9
Annual Interest.....	1,227,582	8	7¾	1,286,471	9	10¾
Total of United Kingdom	751,645,818	18	11¼	775,312,694	19	2
Total Annual Interest ..	22,557,355	15	2¼	23,267,362	0	9¾
Management	86,721	16	1	95,875	9	9*

The Public Debt of the United Kingdom assumed a new form, from the various changes introduced by Mr. Gladstone in 1853. These changes were of so extensive a nature, that it is important to shew the form in which they were submitted to Parliament on the occasion. The following were the Resolutions agreed to by the House of Commons in April, 1853:—

* Finance Accounts for 1854–5 and 1855–6.

RESOLUTIONS AND ORDERS OF THE HOUSE OF COMMONS.

1. That the capital trading stock of the Corporation of the Governor and Company of Merchants of Great Britain (trading to the South Seas and other parts of America, and for encouraging the Fishery), which is called and known by the name of South Sea Stock; the capital stocks of the £3 per Centum Annuities, called and known by the name of the Old South Sea Annuities, and by the name of the New South Sea Annuities; the capital stock of the £3 per Centum Annuities (created by an Act passed in the twelfth year of King George the First, intituled, "An Act for granting to his Majesty the Sum of £1,000,000, to be raised by way of Lottery"), called and known by the name of the Bank Annuities 1726; and the capital stock of the £3 per Centum Annuities (created by an Act passed in the twenty-fourth year of King George the Second, intituled, "An Act for granting to his Majesty the Sum of £2,100,000, to be raised by Annuities and a Lottery, and charged on the Sinking Fund, redeemable by Parliament"), called and known by the name of the £3 per Centum Annuities 1751, shall be paid off and redeemed.

2. That every person, body politic and corporate, who now is, or hereafter may be, interested in the capital stocks of any of the said £3 per Centum Annuities, who shall, in manner hereinafter directed, give notice at any time on or before Friday, the 3rd day of June, 1853, of his assent to receive other Government securities in lieu and in place of the said capital stocks of the said Annuities, instead of being paid in money, shall, at the option of the said parties, receive for every £100 thereof, £82 10*s.* in a New Stock of Three-and-a-half per Centum Annuities; which said Annuities shall be paid at the rate of £3 10*s.* per centum per annum, until the 5th day of January, 1894, from and after which day the said Annuities shall be subject to redemption by Parliament; or for every £100 of the said capital stocks of Annuities the sum of £110 in a New Stock of Two-and-a-half per Centum Annuities, which said Annuities shall be paid at the rate of £2 10*s.* per centum per annum, until the 5th day of January, 1894, from and after which day the said Annuities shall be subject to redemption by Parliament; or for every sum of £100 of the capital stocks of the said £3 per Centum Annuities, an Exchequer Bond for the like amount, payable to bearer, and carrying interest at the rate of £2 15*s.* per centum per annum, payable half-yearly on the 1st day of March and the 1st day of September in every year, until the 1st day of September in a year to be named in such Bond, and not later than 1st day of September, 1864, inclusive, and thenceforth £2 10*s.* per centum per annum, payable half-yearly, in like manner, until and including the 1st September, 1894, and thereafter to be subject to redemption at par, at the option of the holder, or at the option of the Commissioners of Her Majesty's Treasury, as shall be named in such Bond.

3. That the Commissioners of Her Majesty's Treasury be authorized and empowered to fix the number of years during which the interest of £2 15*s.* per centum shall be payable on such Bond, subject to the limitation of the foregoing resolution; and likewise to determine whether such Bond, after the 1st of September, 1894, shall be redeemable at their option only, or shall also

be redeemable at the option of the holder; and that the said Commissioners shall give notice in the *London Gazette* of what they shall determine in these respects, as soon as may be after the passing of any Act in pursuance of these resolutions.

4. That the dividends and interest payable on such New £3 10*s.* per Centum Annuities, on such New £2 10*s.* per Centum Annuities, and on such Exchequer Bonds, shall be charged and chargeable upon the Consolidated Fund of the United Kingdom of Great Britain and Ireland.

5. That the dividends now payable by law on 5th July and 5th January in every year on the said capital trading stock, and on the said capital stock of New South Sea Annuities, Annuities 1726, and Annuities 1751, shall continue payable until the 5th January, 1854, inclusive, and no longer.

That the dividends now payable by law on 10th October and 5th April in every year on the said capital stock of Old South Sea Annuities, shall continue payable until 5th April, 1854, inclusive, and no longer.

6. That if the Corporation of the Governor and Company of Merchants of Great Britain trading to the South Seas and other parts of America, and for encouraging the Fishery, shall at any time on or before Friday, the 1st day of July, signify to the Commissioners of Her Majesty's Treasury, their assent to commute and exchange the said capital trading stock, or any part thereof, into any one or more of the said New £3 10*s.* per Centum Annuities, New £2 10*s.* per Centum Annuities, or Exchequer Bonds, the said Corporation shall be permitted to make such commutation and exchange, upon the same terms, and subject to the like conditions, as are granted to the person or persons, bodies politic or corporate, interested in, or entitled to, the capital stock of £3 per Centum Annuities now proposed to be paid off and redeemed.

7. That all and every person or persons, bodies politic or corporate, possessed of any part of the said £3 per Centum Annuities, and who shall desire to signify his, her, or their assent to receive the said New £3 10*s.* per Centum Annuities, New £2 10*s.* per Centum Annuities, or Exchequer Bonds, in lieu thereof, shall, on or before the 3rd day of June, 1853, but within the usual hours of transacting business at the Bank of England or at the South Sea House, by themselves, or some agent or agents, for that purpose duly authorized, signify to the Governor and Company of the Bank of England, or to the Governor and Company of Merchants of Great Britain trading to the South Seas, as the case may be, such assent in writing, under his, her, or their hand or hands, or the hand or hands of his, her, or their agent or agents, together with the amount of his, her, or their respective share or shares in the said £3 per Centum Annuities, and which said assent shall be entered in a book or books, to be opened and kept by the said Governor and Company of the Bank of England, and by the said Governor and Company of Merchants of Great Britain trading to the South Seas, for that purpose: and in case of any transfer of such share or shares of such Annuities, or any part or parts thereof, after such assent, the part or parts of such Annuities so transferred, shall be entered in the said book or books separately from the said £3 per Centum Annuities, in respect of which no such assent shall be signified; and every such person or persons so assenting, or his, or her, or their assigns, or

the executors or administrators of such assigns, under any such transfer, shall be entitled, for every £100 capital stock of the said £3 per Centum Annuities, to £82 10*s.* of the capital stock of New £3 10*s.* per Centum Annuities, or to £110 of the capital stock of the New £2 10*s.* per Centum Annuities, or to an Exchequer Bond of £100, bearing interest as aforesaid: Provided always, that if any person or persons holding any such £3 per Centum Annuities shall not be within the limits of the United Kingdom at any time between the 8th day of April and the 3rd day of June, 1853, both inclusive, but shall be in any other part of Europe, it shall be lawful for such person or persons to signify such assent at any time before the 30th day of July, 1853; and if any such person or persons shall not, at any time between the 8th day of April, 1853, and the 30th day of July, 1853, be within any part of Europe, it shall be lawful for him, her, or them, to signify such assent at any time before the 1st day of February, 1854, such person or persons proving, to the satisfaction of the Governor or Deputy-Governor of the Bank of England, or to the Governor of the South Sea Company, his, her, or their absence from the United Kingdom, or out of Europe, as above specified, and that his, her, or their share or shares of such £3 per Centum Annuities stood in his, her, or their name or names respectively, or in the name or names of any one or more trustee or trustees, on his, her, or their behalf, in the books of the Governor and Company of the Bank of England, or Governor and Company of Merchant Traders to the South Seas, on the 3rd day of June, 1853: Provided also, that such person or persons so absent from the United Kingdom, or out of Europe, shall signify such his, her, or their assent, within ten days after his, her, or their return to the United Kingdom.

8. That provision shall be made for paying off such proprietor or proprietors of any of the said capital trading stock or capital stocks of Annuities before-mentioned, as shall not signify his assent to accept and receive New £3 10*s.* per Centum Annuities, or New £2 10*s.* per Centum Annuities, or Exchequer Bonds, in lieu thereof.

9. That every person or persons, body politic or corporate, who now is, or hereafter may be, interested in or entitled to any part of the capital stock of the Consolidated £3 per Centum Annuities, or of the capital stock of the reduced £3 per Centum Annuities, payable at the Bank of England, or at the Bank of Ireland, and who shall at any time after the passing of an Act in pursuance of these resolutions, and before the 10th day of October, 1853, signify to the Governor and Company of the Bank of England, or to the Governor and Company of the Bank of Ireland, by an entry to be made in books to be opened for such purpose, his desire to commute and exchange any or all of the said Annuities to which he may be entitled, into any one or more of the said New £3 10*s.* per Centum Annuities, New £2 10*s.* per Centum Annuities, or Exchequer Bonds, shall be permitted to make such commutation and exchange, upon the same terms and subject to the like conditions as are granted to the person or persons, bodies politic or corporate, interested in or entitled to the capital stocks of £3 per Centum Annuities proposed to be paid off and redeemed as aforesaid.

10. That nothing herein contained shall extend to authorize the commutation

of the said Consolidated £3 per Centum Annuities, or the said Reduced £3 per Centum Annuities, into the said New £2 10*s.* per Centum Annuities, after the amount entered for commutation into such New £2 10*s.* per Centum Annuities in the said books of the Bank of England and Bank of Ireland shall have reached the sum of Thirty Millions; and that the power of commutation of the said £3 per Centum Stocks shall thereafter be limited to the two other options hereinbefore given: that is to say, the option of exchange for £3 10*s.* per Centum Annuities, and the option of exchange for Exchequer Bonds.

11. That the Commissioners of Her Majesty's Treasury be authorized and empowered to issue at any time between the 5th of April, 1853, and the 5th of April, 1854, Exchequer Bonds, payable to bearer, upon the like terms and conditions as hereinbefore described, and after public notice in the *London Gazette*, from time to time to sell such Exchequer Bonds, or any part thereof, and to apply the proceeds in redeeming any part of the capital trading stock or capital stock of Annuities now proposed to be paid off and redeemed, or in purchasing and cancelling any Exchequer Bills, or in exchanging such Bonds for Exchequer Bills, upon such terms as the said Commissioners shall think proper, or in purchasing and cancelling any of the Consolidated £3 per Centum Annuities or Reduced £3 per Centum Annuities, payable at the Bank of England, or at the Bank of Ireland, as the case may be.

12. That the interest on such Exchequer Bonds shall be charged and chargeable on the said Consolidated Fund.

13. That no amount of such Exchequer Bonds shall be issued, exceeding in the whole the sum of Thirty Millions.

14. That it shall be lawful for the Accountants-General of the Courts of Chancery in England and Ireland respectively, and for the Accountant in Bankruptcy in England, at any time before the 3rd day of June, 1853, to signify to the Governor and Company of the Bank of England, or to the Corporation of the Governor and Company of the Merchants of Great Britain trading to the South Seas and other parts of America, and for encouraging the Fishery, on behalf of any suitor or suitors, or others interested in any such £3 per Centum Annuities hereinbefore referred to as are proposed to be paid off and redeemed, standing in the names of such Accountants-General and Accountant respectively, their assent to accept and receive shares in the said New £3 10*s.* per Centum Annuities, or New £2 10*s.* per Centum Annuities, or Exchequer Bonds, in lieu of all such £3 per Centum Annuities standing in their names respectively; and the said Accountants-General and Accountant respectively shall be fully indemnified against all actions, suits, and proceedings, for and in respect of any action, matter, or thing done by them respectively in pursuance thereof.

15. That all executors, administrators, guardians, and trustees interested in or entitled to any part of the said capital trading stock, or of the capital stock of the Old South Sea £3 per Centum Annuities, of the New South Sea £3 per Centum Annuities, of the £3 per Centum Annuities created by the Act 12th George the First, of the £3 per Centum Annuities created by the Act

24th George the Second, of the Consolidated £3 per Centum Bank Annuities, and of the Reduced £3 per Centum Bank Annuities, whether payable at the Bank of England or at the Bank of Ireland, as the case may be, who shall signify their desire to convert the Annuities to which they may be respectively interested into any of the New £3 10*s.* per Centum Annuities, New £2 10*s.* per Centum Annuities, or Exchequer Bonds, shall be indemnified.

Resolved, That an humble Address be presented to Her Majesty, praying that Her Majesty will be graciously pleased to exercise the authority vested in Her Majesty, by an Act passed in the 12th year of the reign of His late Majesty King George the First, intituled, "An Act for granting to His Majesty the Sum of One Million, to be raised by way of Lottery," by giving notice of Her royal intention to redeem the Annuities created by the said Act, under the provisions of the statute.

Ordered, That Mr. Speaker do give notice, in the manner required by the Act passed in the twenty-fourth year of the reign of his late Majesty King George the Second, intituled, "An Act for granting to His Majesty the Sum of Two Millions One Hundred Thousand Pounds, to be raised by Annuities and a Lottery, and charged on the Sinking Fund, redeemable by Parliament," that the capital stock of the said Annuities will be paid off and redeemed.

Ordered, That Mr. Speaker do give notice to the Corporation of the Governor and Company of Merchants of Great Britain, trading to the South Seas and to other parts of America, and for encouraging the Fishery, that the capital trading stock of the said Corporation, and the capital stocks of Old South Sea Annuities and New South Sea Annuities, will be paid off and redeemed.

It will be seen that these Resolutions proposed the creation of three different kinds of securities.

1. By creating a New Stock in 3½ per cent. Annuities, at the rate of £82 10*s.* for every £100 in 3 per cents. exchanged.

2. By creating a New Stock in 2½ per cent. Annuities, at the rate of £110 for every £100 in 3 per cents. exchanged.

3. By issuing Exchequer Bonds, bearing interest at 2¾ per cent. in exchange for £100 in 3 per cent. Annuities, payable half-yearly on the 1st day of March and the 1st day of September in each year until 1864, inclusive, and interest at the rate of 2½ per cent. per annum thenceforward, in like manner, until the 1st day of September, 1894, inclusive, subject thereafter to redemption at par, at the option of the holder, or the Commissioners of Her Majesty's Treasury, as shall be specified in the Bond.

It was also determined that the dividends payable on the 5th day of July, and the 5th day of January, in each year on the Capital Stock of the Old and New South Sea Annuities, the

Annuities of 1726, and the Annuities of 1751, should cease on the 5th day of April, 1854, and also the dividends payable on the 10th day of October, and the 5th day of April, on the Stock known as the South Sea Stock. But power was given to the holders of the above Stocks to commute or exchange any of them for the new securities, by signifying their intention to do so on, or before, the 1st day of July, 1853, and that those who dissented from these proposals should be paid off, so far as related to the stocks above-mentioned. The South Sea Company, however, refused to accept these proposals, and the result was the paying off the whole of the stock belonging to that Company, as well as a large portion of the Annuities not commuted. The following is the sum liquidated out of the consolidated fund in 1854:

	£	s.	d.
South Sea Stock	3,662,784	8	6
Old South Sea Annuities	2,040,545	8	7
New South Sea Annuities	1,540,676	1	1
Three per Cent. Annuities 1751	369,026	4	6
Three per Cent. Annuities 1726	476,271	10	8
Total	£8,089,303	13	4

Mr. Gladstone's plan was not confined simply to the paying off the above Annuities, but to effect, by means of commutation, a reduction in the annual charge of the Public Debt, and, if possible, an ultimate discharge of a portion by means of such commutation. The following statement shews the total amount of the various stocks outstanding at the time subject to the conversion:

Title of Securities.	Amount of Stocks outstanding on the passing of the Act 16 Vict. c. 23.			Total Amount of each Stock commuted.		
	£	s.	d.	£	s.	d.
South Sea Stock	3,662,784	8	6½	Nil.		
Old South Sea Annuities	2,759,778	9	10	739,233	1	3
New South Sea Annuities	2,005,884	9	5	463,606	14	6
Three per Cent. Annuities 1751	463,800	0	0	94,377	4	11
Three per Cent. Annuities 1726	672,492	18	7	196,221	7	11
Three per Cent. Consols	369,778,963	12	9½	1,129,190	4	2
Three per Cent. Reduced	116,311,518	19	2	433,796	13	7
Exchequer Bills	17,732,200	0	0	408,900	0	0
Totals	513,387,422	18	4	3,465,325	6	4

The following statement shews into what description of the New Securities the above amounts were commuted:

Title of Securities.	2½ per Cents.			3½ per Cents.			Exchequer Bonds.
	£	s.	d.	£	s.	d.	£
South Sea Stock	Nil.			Nil.			Nil.
Old South Sea Annuities	694,548	1	5	41,384	19	10	3,300
New South Sea Annuities .	406,082	5	3	57,524	9	3	Nil.
Three per Cent. Annuities, 1751	87,987	17	7	4,489	7	4	1,900
Three per Cent. Annuities, 1726	199,628	7	8	12,161	7	3	Nil.
Three per Cent. Consols	1,090,787	15	2	111,428	12	0	2,500
Three per Cent. Reduced....	432,836	9	0	31,852	8	5	1,700
Exchequer Bills	Nil.			Nil.			408,900
Totals.....	2,911,870	16	1	258,841	4	1	418,300

The above results shew that Mr. Gladstone's scheme was not received in a very favourable light, either by the public or by the South Sea Company, there being a general opinion amongst capitalists that he had mistaken the ultimate condition of the money market, arising from the discovery of gold. But as the scheme was afterwards interfered with by the declaration of war against Russia in March, 1854, there was a demand upon the Exchequer for paying off the dissentients, just at the period when other claims were pressing upon its resources. Mr. Gladstone, therefore, again had recourse to an issue of Exchequer Bonds to the extent of £6,000,000, in three series of £2,000,000 each, and the following Treasury Letter was issued in April, 1854:—

Treasury Chambers, April 21, 1854.

The First Lord of the Treasury and the Chancellor of the Exchequer hereby give notice, that tenders will be received at the Bank of England daily, between the hours of 10 o'clock A.M. and 2 o'clock P.M. from the date hereof until Tuesday, the 2nd of May next inclusive, for the whole or part or parts of the following securities, viz.:—

Two millions of Exchequer Bonds, bearing interest at the rate of £3 10*s.* per cent. per annum, payable half-yearly; and the Bonds to be liquidated and paid off at par on the 8th of May, 1858.

Two millions of Exchequer Bonds, bearing interest at the rate of £3 10*s.* per cent. per annum, payable half-yearly; and the Bonds to be liquidated and paid off at par on the 8th of May, 1859.

Two millions of Exchequer Bonds, bearing interest at the rate of £3 10*s.* per cent. per annum, payable half-yearly; and the Bonds to be liquidated and paid off at par on the 8th of May, 1860.

The Bonds will bear date on the 8th of May, 1854, on which day the interest will commence, such interest to be paid half-yearly on the 8th of November and 8th of May, up to the days on which they will be paid off at par.

The tenders must be made in separate sealed letters for each set of Bonds, and be marked on the outside as follows:—

A, for the Bonds ending on the 8th of May, 1858;
B, for the Bonds ending on the 8th of May, 1859; and
C, for the Bonds ending on the 8th of May, 1860.

No tender will be received for a less sum than £1000.

The tenders will be understood to be made in Exchequer Bills at par, but subscribers will be allowed the option of paying money in lieu of Exchequer Bills, upon paying 1*s.* for every £100 so paid in money.

The proportions of the subscriptions to be discharged in Exchequer Bills, and in money, must be separately stated in the tenders.

The instalments must be paid in the following proportions, and at the following periods, viz.:—

Ten per cent. on Monday, the 8th of May.
Thirty per cent. on Friday, the 9th of June.
Twenty per cent. on Tuesday, the 11th of July.
Twenty per cent. on Friday, the 8th of September.

And the remaining payment to complete the contracts, on Tuesday, the 17th of October.

Parties desirous of paying the instalments at an earlier period will be at liberty to do so, and they will receive interest at the rate of £3 10*s.* per cent. per annum, from the day of payment up to the respective days on which the instalments fall due.

When the instalments shall be paid in Exchequer Bills, the interest which shall have accrued on the Bills at the time of such payment will be paid to the subscriber by the Paymaster-General, at the Pay-office, Whitehall.

Before the hour appointed for the last receipt of tenders, on the 2nd of May, the First Lord of the Treasury and the Chancellor of the Exchequer will deposit with the Governor and Deputy-Governor of the Bank of England, sealed papers, in which will be stated the reserved prices at or above which they bind themselves to accept tenders.

All tenders at or above those rates will be accepted to the extent of £2,000,000 for each of the three series of Bonds; but a right of preference will be given to the highest tenders in price. If two or more tenders shall be at the same rates, they will be subject to a *pro ratâ* diminution in amount, if the acceptance of such tenders in full would occasion an excess beyond the sum of two millions, to which each of the series of Bonds is to be limited.

The tenders will be opened by the Lords Commissioners of the Treasury, in the presence of the Governor and Deputy-Governor of the Bank of England, after 2 o'clock P.M. on the 2nd of May; and notice will be given by the Governor and Deputy-Governor of the Bank of England, at and after 10 o'clock on the morning of the 3rd of May, to all parties whose tenders have been accepted, on their application at the Bank for that purpose.

Scrip receipts will be issued by the Bank in the usual manner, which will be exchanged at the Bank of England for Exchequer Bonds, as soon as possible after the payments are completed.

The Bonds will be issued in sums of £100, £200, £500, and £1,000.

It is not intended to apply to Parliament during the present session for any further issue of Exchequer Bonds beyond the said sum of £6,000,000.

The result of this announcement was scarcely less unfavourable than the previous scheme, for by a Treasury paper dated May the 12th, 1854, only the following tenders were made up to the 8th of May:—

BONDS A.

The amount accepted on opening the tenders May 2nd at the Treasury, including £45,500 tendered for Bonds B. and C., afterwards transferred to Bonds A.	£602,300
Subscribed for subsequently at the Bank of England	1,205,900
	1,808,200
Deduct for tenders on which no deposit was paid	212,000
	£1,596,200

Of this sum £590,800 was tendered in Exchequer Bills, and £1,005,200 in money; and on the 9th of May further tenders were made, amounting to £403,800; making the total amount of tenders for the A. series £2,000,000.

BONDS B. & C.

The amount of Bonds B. subscribed for on the 2nd of May was £15,000; and for Bonds C. £59,500; and of this sum £45,500 were transferred by option to the A. series. The total amount subscribed for was only £2,075,000, of which £29,000 were afterwards cancelled, there having been no deposit paid on this amount of subscriptions. Arrangements were afterwards made by which a portion of them was purchased by the Commissioners for the Reduction of the National Debt, and by Messrs. Rothschild. The prices at which they were taken are shewn in the following Treasury statement, and their application to financial purposes:—

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EXCHEQUER BONDS, 1854.

ACCOUNT of the APPLICATION of the MONEYS received on Account of £6,000,000 EXCHEQUER BONDS, issued per Act 17 Vict. cap. 23.

ISSUE.	£	s.	d.
Exchequer Bonds, Series A, £2,000,000.			
Subscribed in Exchequer Bills, which have been cancelled	591,100	0	0
Subscribed in Money at various Rates	1,390,290	0	0
Premium of 1s. per cent. on Amount subscribed in Money	695	12	2
	1,982,085	12	2
Less,—Discount for prompt Payment	8,655	16	5
	1,973,429	15	9
Exchequer Bonds, Series B, £2,000,000. Sold at 98 per cent.	1,960,000	0	0
Exchequer Bonds, Series C, £2,000,000.			
£1,600,000 sold at par	1,600,000	0	0
4,000,000 „ 99⅝	398,500	0	0
	1,998,500	0	0
Add Interest from 8th May, 1854, to the respective dates of Sale	34,683	10	11
	2,033,183	10	11
Exchequer Bills cancelled £591,100 0 0; Paid into the Exchequer 5,375,513 6 8	£ 5,966,613	6	8

APPLICATION.	£	s.	d.
Exchequer Bills (Unfunded Debt) cancelled in pursuance of the provisions of the 14th Clause of the Act 17 Vict. cap. 23	591,100	0	0
Applied under Warrant of the Commissioners of Her Majesty's Treasury to Supply Services, as under:—			
Army	1,119,000	0	0
Navy	2,955,695	11	11
Ordnance	775,652	14	9
Vote of Credit for War with Russia	220,000	0	0
Miscellaneous Civil Services	305,165	0	0
	5,375,513	6	8
	£ 5,966,613	6	8

Whitehall, Treasury Chambers, 20th April, 1855.

JAMES WILSON.

THE RUSSIAN WAR LOAN OF £16,000,000.

Mr. Gladstone having resigned the office of Chancellor of the Exchequer in the early part of the year 1855, when the Aberdeen Ministry was succeeded by that of Lord Palmerston, Sir George Cornewall Lewis, who became Chancellor of the Exchequer, was compelled to have recourse to a loan to meet the deficiency of that year, amounting to £23,000,000, as stated in the Budget of May 20th. The announcement was made on the 12th of April, and on the 16th the particulars were made known at the Treasury to the capitalists who had been invited to meet the Government authorities. The following were the terms proposed: the loan to be for £16,000,000: and for every £100 subscribed in money the contractors were to be entitled to receive £100 in 3 per cent. Consolidated Annuities, and a Terminable annuity for 30 years, ending the 5th of April, 1885; the biddings to be made in the Terminable annuity. This form of contract met with much dissatisfaction as tending to complicate the system of contracting public loans; the proposal, however, was adhered to, and the contract was taken by Messrs. Rothschild at the price of 14*s.* 6*d.* in the Terminable annuity, on the 20th of April. The applications for what is termed the "Omnium," far exceeded the amount of the loan; but as a number of such applications are made for speculative purposes, they do not exactly represent the amount of money at command amongst those who subscribe for the purposes of investment. The deposit of 10 per cent. was paid on the 24th of April, and the last instalment of 10 per cent. on the 18th of December, 1855. The capital debt created by this loan was £16,000,000 and an annual sum on the annuity of £116,000. The interest payable on the loan dates from the 5th of January, and the Terminable annuity from the 5th of April, 1855. One of the conditions on which this loan was contracted was, that a sinking fund should be applied to its redemption at the rate of £1,000,000 per annum, and payable out of the Consolidated Fund, "commencing on the 1st day of April which shall first happen twelve months after the *ratification* of a definitive treaty of peace with Russia, and in every subsequent year until such sum of 3 per cent. Annuities is extinguished."

Loan of £5,000,000 and Funding of £3,000,000 in Exchequer Bills.

The above loan was contracted with Messrs. Rothschild on the 22nd of February, whose tender was the only one handed in, and was at the rate of £112 5*s.* in a 3 per cent. Stock for every £100 in money advanced, or equivalent to Consols at about 89⅛; the *minimum* price fixed by Government was £111 2*s.* 2*d.* in a 3 per cent. Stock for every £100 in money, or equivalent to Consols at 90, which was accepted by Messrs. Rothschild, as well as the whole of the amount of Exchequer Bills to be funded.* The capital created by this loan was £5,555,416 13*s.* 4*d.*, and the annual interest, exclusive of charge for management, £166,662 10*s.*

Second Loan of £5,000,000.

In order to meet the deficiency of the revenue occasioned by the Russian war, a second loan of £5,000,000 was announced by the Treasury on the 8th of May; and on the 19th the contract was taken by Messrs. Rothschild, whose tender was at the rate of £108 in a 3 per cent. stock for every £100 of money advanced, or nearly equal to Consols at 92⅝, while the *minimum* rate of the Government was £107 10*s.* 7*d.*, or equivalent to Consols at about 93, which was accepted. The stock created in 3 per cent. Consolidated Annuities by this loan was £5,376,458 6*s.* 8*d.*, and the annual interest, exclusive of charge for management, £161,293 15*s.*

The amount of Stock created in 3 per cent. Annuities by these loans, and the actual rate of interest, exclusive of management, was as follows:—

Contract Price of £100.		£	s.	d.	Rate per Cent. £	s.	d.
86¾	Loan of £16,000,000 contracted in April, 1855	16,000,000	0	0	3	9	2
90	Loan of £5,000,000 contracted in February, 1856	5,555,416	13	4	3	6	8
93	Loan of £5,000,000 contracted in May, 1856	5,376,458	6	8	3	4	6
	Exchequer Bills funded	3,333,250	0	0	3	0	0
		£30,265,125	0	0			

The annual interest chargeable on the above debt amounts to £907,953 15*s.*, exclusive of the Terminable annuity in connexion with the loan of £16,000,000 amounting to £116,000 per annum, making the total interest on the debt contracted £1,023,953 15*s.*; from which a deduction must be made under the operation of the sinking fund referred to above.

* Contractors had the option of paying money instead of Exchequer Bills, at the rate of £100 5*s.* for every £100 of Exchequer Bills.

The entire amount of the Public Debt of the United Kingdom
Debt, in the shape of Loans contracted, or by the Funding of
Unfunded Debt, consisting of Exchequer Bonds and Ex
The following Table has been compiled from Parliamentary
each year from 1820 to 1855 inclusive, and the interest charge

Years.	Funded Debt.	Unfunded Debt.	Total Amount of Debt, Funded and Unfunded.
	£	£	£
1820	801,565,310	30,965,900	832,531,210
1821	795,312,767	31,566,550	826,879,317
1822	796,530,144	36,281,150	832,811,295
1823	791,701,614	33,741,750	826,443,364
1824	781,123,222	32,398,450	813,521,672
1825	778,128,267	27,094,200	806,122,467
1826	783,801,740	24,565,850	808,367,590
1827	777,476,892	27,546,850	805,023,742
1828	772,322,540	27,657,000	799,979,540
1829	771,251,932	25,490,550	796,742,482
1830	757,486,996	25,609,650	783,096,646
1831	755,543,884	25,551,350	781,095,234
1832	754,100,549	25,696,000	779,796,549
1833	751,658,883	27,906,900	779,565,783
1834	743,675,299	28,521,550	772,196,849
1835	758,549,866	28,976,600	787,526,466
1836	761,422,570	26,976,000	788,398,570
1837	762,275,188	24,044,550	786,319,738
1838	761,347,690	24,026,050	785,373,740
1839	766,547,684	19,965,050	786,512,734
1840	766,371,725	21,076,350	787,448,075
1841	772,530,758	18,343,850	790,874,608
1842	773,068,340	18,182,100	791,250,440
1843	772,169,092	18,407,300	790,576,392
1844	769,193,645	18,404,500	787,598,145
1845	766,672,822	18,380,200	785,053,022
1846	764,608,284	18,310,700	782,918,984
1847	772,401,851	17,946,500	790,348,351
1848	774,022,638	17,786,700	791,809,338
1849	773,168,317	17,758,700	790,927,017
1850	769,272,562	17,756,600	787,029,162
1851	765,126,582	17,742,800	782,869,382
1852	761,622,704	17,742,500	779,365,204
1853	754,893,401	16,029,600	770,923,001
1854*	751,645,818	23,151,400†	774,797,218
1855	775,312,695	28,182,700	803,495,395
1856			
1857			
1858			
1859			
1860			

* The Finance Accounts from this year are balanced to the 31st of March,
† In this amount is included £6,000,000 of Exchequer Bonds, the interest
the interest on the Unfunded Debt, to which it strictly belongs. The Exchequer
to £418,000, are not included in the Permanent Debt of 1853 and subsequent
of Exchequer Bonds were added to the Unfunded Debt, making the total
£245,000, making the total interest on the Unfunded Debt as stated above.

is made up of several distinct items under the heads of Funded Securities; of Terminable and Life Annuities; and of the chequer Bills.

documents, shewing the amount of each description of Debt in able thereon, exclusive of the charge for management.

Interest on Funded Debt.	Interest on Unfunded Debt.	Terminable and Life Annuities.	Total Annual Charge.	Years.
£	£	£	£	
28,064,720	1,769,219	1,805,838	31,639,777	1820
27,875,840	2,159,602	1,831,458	31,866,900	1821
26,419,870	1,385,424	1,913,944	29,719,238	1822
26,271,762	1,131,121	2,201,114	29,604,007	1823
25,541,049	1,087,284	2,528,480	29,156,813	1824
25,429,677	829,498	2,560,804	28,819,979	1825
25,683,011	831,207	2,573,216	29,087,434	1826
25,490,900	873,247	2,607,393	28,971,540	1827
25,332,782	949,430	2,635,193	28,917,405	1828
25,318,865	878,494	2,604,562	28,801,921	1829
24,091,749	793,031	2,859,269	27,744,049	1830
24,027,665	649,833	3,318,688	27,996,186	1831
23,982,043	659,165	3,330,620	27,971,828	1832
23,901,110	779,769	3,472,688	28,153,567	1833
23,591,471	691,294	3,653,922	27,936,687	1834
24,042,221	740,211	4,185,058	28,967,490	1835
24,142,470	692,095	4,070,548	28,905,113	1836
24,165,239	936,687	4,231,222	29,333,148	1837
24,135,179	720,928	4,183,508	29,049,615	1838
24,290,239	856,701	4,211,263	29,358,203	1839
24,283,939	642,997	4,244,445	29,171,381	1840
24,444,230	896,465	4,076,776	29,417,471	1841
24,459,832	725,010	4,071,530	29,256,372	1842
24,432,019	688,084	3,924,184	29,044,287	1843
23,719,147	531,844	3,958,508	28,209,499	1844
23,642,676	426,607	3,980,022	28,049,305	1845
23,580,033	421,432	3,916,982	27,918,447	1846
23,813,746	436,298	3,905,974	28,156,018	1847
23,862,256	790,327	3,795,077	28,447,660	1848
23,836,432	606,025	3,725,994	28,168,451	1849
23,719,299	403,706	3,737,325	27,860,330	1850
23,594,784	402,714	3,784,664	27,782,162	1851
23,489,286	403,652	3,822,856	27,715,794	1852
23,279,122	368,651	3,812,436	27,460,209	1853
22,557,355	680,486	3,855,499	27,093,340	1854
23,267,362	1,050,303	3,868,293	28,185,958	1855
				1856
				1857
				1858
				1859
				1860

1855, instead of the 5th of January, as in the preceding years.

on which to the 31st of March, 1855, amounted to £210,000, and is added to Bonds of 1853, arising from the commutation of stocks in that year, amounting years, as they cannot be properly placed under that head. In 1855, £1,000,000 £7,000,000 added to the Exchequer Bills, and the interest on the same was

The above table contains in a condensed form the sum total of what are commonly termed Public Securities; but in order to render them clear and intelligible, the following brief recapitulation is subjoined:—

New Two-and-a-Half per Cent. Annuities.

This Stock arose from the conversion introduced by Mr. Gladstone, Chancellor of the Exchequer in 1853, in his proposal to give in exchange for certain annuities at 3 per cent. the sum of £110 for every £100 in a New 2½ per cent. Stock, subject to redemption after the 5th of January, 1894. The amount of this Stock, on the 31st of March, 1856, was for Great Britain, £3,001,746 1*s.* 7*d.*, and for Ireland, £6,029 15*s.* 7*d.*

The dividends are payable at the Banks of England and Ireland on the 5th of January, and the 5th of July, in each year.

Three per Cent. Consolidated Annuities.

This Stock is generally known under the abbreviated term "Consols," and had its origin in 1751, when several stocks of various kinds were consolidated into one, from the 24th of June, 1752. The amount of this Stock on the 31st of March, 1856, was for Great Britain, £390,631,502 18*s.* 1*d.*, and for Ireland, £6,566,317 7*s* 4*d.*

The dividends are payable at the Banks of England and Ireland on the 5th of January, and the 5th of July, in each year.

Reduced Three per Cent. Annuities.

This Stock originated in certain annuities payable by Government on a capital amount of £17,571,573, at the rate of 3½ per cent. per annum, from 1750 to 1757, and thenceforward at the rate of 3 per cent. per annum. Several stocks borrowed at different times were united into one joint-stock in 1751. The amount of this stock on the 31st of March, 1856, was for Great Britain, £113,561,242 16*s.* 3*d.*, and for Ireland, £140,983 7*s.* 5*d.*

The dividends are payable at the Banks of England and Ireland on the 5th of April, and the 10th of October, in each year.

New Three per Cent. Annuities.

This Stock is the result of a conversion of the New 4 per cents. in 1830, when the interest was reduced from 4 to 3½ per

cent., in 1844 to $3\frac{1}{4}$ per cent., and after the 10th of October, 1854, to 3 per cent. per annum, without being subject to redemption until after the 10th of October, 1874. The amount of this Stock on the 31st of March was for Great Britain, £213,987,638 9*s.* 10*d.*, and for Ireland, £33,097,493 12*s.* 9*d.*

The dividends are payable at the Banks of England and Ireland on the 5th of April, and the 10th of October, in each year.

New Three-and-a-Half per Cent. Annuities.

This Stock was created in 1853 by the Commutation Act of Mr. Gladstone, by which the holders of South Sea and other Stocks were offered £82 10*s.* 0*d.* in a new $3\frac{1}{2}$ per cent. Stock for every £100 in the original Stock, to be guaranteed against reduction or redemption until after the 5th of January, 1894. The amount of this Stock on the 31st of March, 1856, was for Great Britain, £240,746 6*s.* 4*d.*, and for Ireland, none of this Stock is registered.

The dividends are payable at the Bank of England on the 5th of January, and the 5th of July, in each year.

New Five per Cent. Annuities.

This Stock arose from the conversion of 1830, when the holders of 4 per cent. Stock who dissented, had the option of accepting a new 5 per cent. Stock at the rate of £70 for every £100 in the 4 per cent. Stock, or of being paid off at par. The amount of this Stock on the 31st of March, 1856, was for Great Britain, £431,124 19*s.* 4*d.*, and for Ireland, £2,000.

The dividends are payable at the Banks of England and Ireland on the 5th of January, and the 5th of July, in each year.

Long Annuities.

These Annuities date their origin from 1780, and have been generally given by Government as a kind of premium to loan subscribers, the same as in the recent loan of £16,000,000. These Annuities, which expire on the 5th of January, 1860, amounted on the 31st March, 1856, to £1,157,084 11*s.* 7*d.* for Great Britain, and for Ireland, £135,346 15*s.* 0*d.*

These Annuities are payable at the Bank of England on the 5th of April, and the 10th of October, in each year.

Annuities for Terms of Years.

These Annuities are granted under several Acts of Parliament for a limited term. The Annuity called the "Dead Weight," amounting to £585,740 per annum, will expire on the 5th of April, 1867. This Annuity arose out of the payment of the pensions due to the Army and Navy after the French Revolution in 1815, amounting to about £5,000,000 per annum. By the 4th Geo. IV. c. 22, an Annuity was authorized to the amount of £2,800,000 to be contracted, when the Bank took the portion above mentioned. The Annuities of £116,000 per annum, granted in connexion with the loan of £16,000,000 in 1855, expire on the 5th of April, 1885, and are payable at the Bank of England on the 5th of April, and the 10th of October, in each year.

There are also other Annuities granted for a limited term of years under the 59 Geo. III. c. 34, the 10 Geo. IV. c. 24, and the 3 Will. IV. c. 14, which expire at different periods, and which amounted on the 31st of March, 1856, to £861,658 3*s.* 5*d.* for Great Britain, and to £62,000 for Ireland.

Payable at the Banks of England and Ireland.

Life Annuities.

These Annuities are granted in pursuance of the Act 48 Geo. III. c. 142, the 10 Geo. IV. c. 24, the 3 Will. IV. c. 14, and the 16 & 17 Vict. c. 45, and on the 31st of March, 1856, amounted to £1,031,122, after deducting those expired and unclaimed, amounting to £1,742,789 14*s.* 6*d.*

Payable at the National Debt Office in Old Jewry, Cheapside.

The Commissioners for the Reduction of the National Debt are empowered, under the 48 Geo. III. c. 142, the 10 Geo. IV. c. 24, and 3 Will. IV. c. 14, to grant annuities in exchange for any of the public stocks, money, or on joint or single lives, to which we have referred under the head of "National Debt Office."

There are in addition to the above, Tontine and other Annuities, English and Irish, amounting to £47,114 17*s.* 9*d.*; these, with the several Annuities described, and the interest on the Permanent Debt, make the total annual charge on the Unredeemed Debt to March 31st, 1856, (exclusive of £95,875 9*s.* 9*d.* for management), £27,359,303 18*s.* 9¾*d.*

The above comprise the whole of the securities at present existing as the *Unredeemed* Debt, and which are the subjects of negotiation in the London Stock-market.

The Unfunded Debt.

Exchequer Bills.

The use of Exchequer Bills had its origin in a scarcity of the circulating medium at the time of the great re-coinage in the reign of William and Mary; they were first issued in 1696; from that time they have formed a means of obtaining money by the Government to meet the current expenditure of the year, and not always for legitimate purposes. These bills are issued every year by Act of Parliament, which regulates the amount, and are called in at the end of the year to be exchanged for others, or to be liquidated at par, at the option of the holder, and vary in amount from £100 to £1,000, with interest from the date of issuing the bill at so much per day. These securities are found very convenient for bankers and others, who may have occasion to realize their money at stated or short periods; and they are, on this account, generally at a premium in the market; they are, however, the first description of security to be influenced by any changes in the Money-market; and the rate of interest varies from 1*d.* to 3*d.* per day; but the rate of interest does not always secure them from depreciation in the money-market; for they have been known to be at from 30*s.* to 40*s.* discount, when bearing the latter rate of interest, as in 1847; and in 1853, when Mr. Gladstone reduced the rate to 1*d.* per day, the premium of 57*s.* fell to 12*s.*, owing to the reduction having been made at a time when the prospective value of money was increasing. The money demanded in payment for these bills is very much influenced by the state of the money-market. If money is in great demand, and the interest paid by Government is not sufficient, the holders of Exchequer Bills demand payment, and *vice versâ.*

These bills are prepared at and issued from the Exchequer Bill Office, No. 3, Whitehall-yard, and the present Comptroller-General is Lord Monteagle of Brandon, who has held that office since 1834, and the Assistant-Comptroller, the Right Hon. Sir Edward Ryan. The evidence of Lord Monteagle before the Select Committee on Public Monies in 1856,

possesses great interest in shewing the mode of dealing with Exchequer Bills and the Exchequer accounts. There are, according to this evidence, several clerks engaged in preparing Exchequer Bills previous to the time of their exchange; and the Comptroller and Deputy-Comptroller sign them each day as they are produced by the engravers, Messrs. Perkins & Co. These bills are never left in the office unsigned, but are always completed within the day; and every stage of the proceeding, from the making of the paper, to the printing, sealing, counter-signature, record, delivery of bills, counterfoils, and registries, are completed under the responsibility of the Comptroller-General and Assistant-Comptroller. About 1,500 bills are prepared in a day, which are signed in even quantities; that is, one-half by the Comptroller-General and one-half by the Assistant-Comptroller, or about an average of 750 a day each may be taken as the number that can be completed.* The numbers are all taken arithmetically, and registered in a similar manner for the convenience of reference and payment, of which notice is usually given by advertisement. These bills are receivable in the payment of all public revenues *after* twelve months from the date of issue.

As a proof that these securities may be made of great service to the State, we may refer to the early history of their existence, when they were considered as ready money, and taken in receipt at the Exchequer for all payments of the revenue, in sums as low as £5 and £10. This appears to have been the first instance of a Government paper circulation used as a substitute for metallic currency, and proves that a medium of exchange is not absolutely required to possess intrinsic worth.

Exchequer Bonds.

These securities are the result of Mr. Gladstone's financial experiments in 1853 and 1854, which have already been explained at page 16. It is, however, necessary to remark, that these bonds are not payable in the order set forth in the Treasury letter of April, 1854, and by the 1st sect. of the 17 Vict. cap. 23, which made the first or A series payable on the 8th of May, 1858; the second or B series payable in

* See Evidence of Lord Monteagle on Public Monies, July 3, 1856, pp. 341–2.

1859; and the third or C series payable in 1860; for by an arrangement of the Treasury under the 3rd section of the Act, the payment of the C series has been changed to the 8th of May, 1857. By the provisions of the above Act, the interest is not to exceed 4 per cent. per annum, and the period of their currency is not to exceed six years. The present rate of interest is $3\frac{1}{2}$ per cent. per annum; and the bonds are issued for sums of £100, £200, £500, and £1,000 each.* There has been an additional sum of £1,000,000 issued during the war, under the 19 Vict. cap. 21, so that the payment of these bonds, if Parliament adheres to its contracts, will fall due as under:

Bonds	C	£2,000,000	in May,	1857.
„	A	£2,000,000	„	1858.
„	B	£2,000,000	„	1859.
„	D	£1,000,000	„	1860.

These sums comprise the whole of the Public Debt, Funded and Unfunded, up to the close of 1856. But the Funded Debt contracted by the last loans is subject to redemption by a sinking fund, which is to be placed to the annual charge of the Consolidated Fund, and is not dependent upon the surplus revenue at the end of the year. The following parliamentary paper † shews the amount of the sinking fund to be applied to this Debt:—

* To face page 28 a fac-simile is given of an Exchequer Bond and Exchequer Bill. The counterfoils of Exchequer Bills are printed on each side, in brown, black, blue, and green, according to the respective value of each.

† *Par. P.* No. 55, Session 1857.

RETURN "shewing the LIABILITIES in respect to DEBT, FUNDED and UNFUNDED, incurred for the Service of the War, to be redeemed in pursuance of the Act 17 Vict. c. 23, 18 Vict. c. 18, 18 & 19 Vict. c. 130, and 19 Vict. c. 6 & 21."

In what Year Payable.	Exchequer Bonds.	Loans.			Principal payable in each Year.	Charge in each Year for additional Funded and Unfunded Debt; calculated at Existing Rates.	Total Sum payable in each Year.	Years.
		Per Act 18 Vic. c. 18.	Per Act 19 Vic. c. 6.	Per Act 19 Vic. c. 21.				
	£	£	£	£	£	£	£	
Sterling ..	7,000,000	16,000,000*	5,000,000	5,000,000	....	1,460,500	....	Sterling.
	Per Act 17 Vic. c. 23							
1857.....	2,000,000	....	....	250,000	2,250,000	1,421,000	3,671,000	1857
1858.....	2,000,000	1,000,000	250,000	250,000	3,500,000	1,324,000	4,824,000	1858
1859.....	2,000,000	1,000,000	250,000	250,000	3,500,000	1,207,000	4,707,000	1859
	6,000,000							
	Per Act 18 & 19 Vic. c. 130.							
1860.....	1,000,000	1,000,000	250,000	250,000	2,500,000	1,108,000	3,608,000	1860
1861.....	....	1,000,000	250,000	250,000	1,500,000	1,043,000	2,543,000	1861
1862.....	....	1,000,000	250,000	250,000	1,500,000	997,000	2.497,000	1862
1863.....	....	1,000,000	250,000	250,000	1,500,000	950,000	2,450,000	1863
1864.....	....	1,000,000	250,000	250,000	1,500,000	903,000	2,403,000	1864
1865.....	....	1,000,000	250,000	250,000	1,500,000	856,000	2,356,000	1865
1866.....	....	1,000,000	250,000	250,000	1,500,000	810,000	2,310,000	1866
1867.....	....	1,000,000	250,000	250,000	1,500,000	763,000	2,263,000	1867
1868.....	....	1,000,000	250,000	250,000	1,500,000	716,000	2,216,000	1868
1869.....	....	1,000,000	250,000	250,000	1,500,000	669,000	2,169,000	1869
1870.....	....	1,000,000	250,000	250,000	1,500,000	623,000	2,123,000	1870
1871.....	....	1,000,000	250,000	250,000	1,500,000	576,000	2,076,000	1871
1872.....	....	1,000,000	250,000	250,000	1,500,000	529,000	2,029,000	1872
1873.....	....	1,000,000	250,000	250,000	1,500,000	481,000	1,981,000	1873
1874.....	....	....	250,000	250,000	500,000	451,000	951,000	1874
1875.....	....	....	250,000	250,000	500,000	437,000	937,000	1875
1876.....	....	....	250,000	250,000	500,000	423,000	923,000	1876
1877.....	....	....	250,000	....	250,000	411,000	661,000	1877
1878 to 1885	....	....	....	....	....	407,500	407,500	1878 to 1885
From 1886	....	....	....	....	....	291,500	291,500	From 1886

In addition to the above liabilities, the Funded and Unfunded Debt have been increased, since the commencement of the war, as follows:—

		£
1st. The Funded Debt has been increased by a funding of £3,000,000 of Exchequer Bills, the annual charge for which is		99,997
2nd. Exchequer Supply Bills issued, viz., outstanding at the present date	£21,049,700	
Ditto, previous to commencement of the war (April 1, 1854)	16,008,700	
Increase, bearing interest at $2\frac{1}{2}d.$ per cent. per diem		5,041,000
ANNUAL Charge at the present time		£191,558

Treasury Chambers,
17th February, 1857.

JAMES WILSON.

* A Terminable Annuity of £116,000 is payable in respect of the loan of £16,000,000 in Consols, per Act 18 Vict. c. 18, which will cease in the year 1885.

BY VIRTUE of an ACT 19 VICT. REG. CAP 19. Interest at the rate of TWO PENCE HALF PENNY Per Cent Per diem. 1857 Dated at the Exch^r the 11 day of JUNE 18-

£100.

BY VIRTUE of an ACT 19. VICT. REG. CAP. 19. Interest at the rate of TWO PENCE HALF PENNY Per Cent Per diem. 1857 Dated at the Exch^r the 17 day of JUNE 18

This Bill entitles or Order to One Hundred Pounds with the Interest due & payable thereon payable out of any Supplies to be granted in the Session of Parliament next after the passing of the said Act and this Bill is to be current and pass in any of the Public Revenues, Aids, Taxes, or Supplies, or to the Account of Her Majesty's Exchequer at the Bank of England after Twelve Calendar Months from the date hereof.

If the Blank is not filled up this Bill will be paid to Bearer.

Signed in the presence of

NB. The Cheques must not be cut off.

PRINCIPAL to be Paid off at Par 8 MAY 18- PR ACT 17 VICT. REG. CAP 23. B 5000 Interest at the rate of £3.10 pr cent pr annum Dated at the Exch^r 8 May 18-

£100.

PRINCIPAL to be Paid off at Par 8 MAY 18- PR ACT 17 VICT. REG. CAP 23. B 5000 Interest at the rate of £3.10 pr cent pr annum Dated at the Exch^r 8 MAY 18-

EXCHEQUER BOND.

This Bond entitles the Bearer to One Hundred Pounds, with the Interest due and payable thereon half yearly, and the Principal sum secured by this Bond to be repaid out of such Monies as shall be provided by Parliament in that behalf.

The several sums in respect of Interest mentioned in the annexed Certificates are transferable by delivery of such respective Certificates and will be payable to the persons producing and delivering the same at the Bank of England.

Signed in the presence of

TREASURY OF EXCHEQUER

NB. The Cheques must not be cut off.

The following is a copy of the Coupons, or Certificates attached to each Bond.

No 5000 B £1:15.

INTEREST CERTIFICATE ON EXCHEQUER BOND PER ACT 17 VICT. REG. Cap 23. FOR £100

One Pound fifteen shillings Interest at £3.10 per cent per ann, payable at the Bank of England for half a year ending 8th May 18-

Montesgle Comptroller General

Printed for Acres Financial Register [illegible] by [illegible] Brothers [illegible]

There are some few other descriptions of Stocks negociated in the London Money-market, which, for their stability as investments, are equal to public securities, such as Bank Stock, East India Stock, and East India Bonds.

Bank Stock.

This Stock is the capital of the Corporation of the Bank of England, which was at the time of granting its Charter in 1694 only £1,200,000, and lent to Government at 8 per cent. per annum, and £4,000 per annum for management, but has been augmented at various times, and under various circumstances, to its present amount £14,553,000. The dividends on which are payable on the 5th of April, and the 10th of October, in each year. See "Bank of England."

East India Stock.

This Stock is the capital of the East India Company. The original amount was £30,000; but at present it is £6,000,000. The Company ceased to be a trading corporation by the Act 3 & 4 Will. IV. c. 85, in 1834, and is now rather political than otherwise. The dividend on this Stock is secured at 10½ per cent. per annum interest, or £630,000, chargeable on the territorial revenues of India. The Capital Stock is redeemable in April, 1874, at the option of the Legislature, at the rate of £200 per cent. Dividend payable at the East India House, Leadenhall-street, on the 5th of January, and the 5th of July, in each year. See "East India Company."

East India Bonds.

These bonds are issued by the East India Company in sums of £100, £200, £300, £500, and £1,000 each, and are given as security to the public for a debt owing by the Company, and payable to the Company at par when six months' interest has become due upon them. The interest is payable half-yearly on the 31st of March, and the 30th of September, in each year at the India House, and varies according to the state of the money market: the present rate is 4 per cent. per annum.

A Table of the comparative value of Stocks bearing different rates of interest, measured by the market price of Consols, and the annual rate of interest produced at each quotation from 50 to 100 per cent.

2½ per cent.			3 per cent. Consls	3½ per cent.			4 per cent.			5 per cent.			6 per cent.			8 per cent.			10½ per cent.			Interest per cent per Ann.		
£	s.	d.	£	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
41	13	4	50	58	6	8	66	13	4	83	6	8	100	0	0	133	6	8	175	0	0	6	0	0
42	10	0	51	59	10	0	68	0	0	85	0	0	102	0	0	136	0	0	178	10	0	5	17	7¾
43	6	8	52	60	13	4	69	6	8	86	13	4	104	0	0	138	13	4	182	0	0	5	15	4½
44	3	4	53	61	16	8	70	13	4	88	6	8	106	0	0	141	6	8	185	10	0	5	13	2¼
45	0	0	54	63	0	0	72	0	0	90	0	0	108	0	0	144	0	0	189	0	0	5	11	1¼
45	16	8	55	64	3	4	73	6	8	91	13	4	110	0	0	146	13	4	192	10	0	5	9	1
46	13	4	56	65	6	8	74	13	4	93	6	8	112	0	0	149	6	8	196	0	0	5	7	1½
47	10	0	57	66	10	0	76	0	0	95	0	0	114	0	0	152	0	0	199	10	0	5	5	3
48	6	8	58	67	13	4	77	6	8	96	13	4	116	0	0	154	13	4	203	0	0	5	3	5¼
49	3	4	59	68	16	8	78	13	4	98	6	8	118	0	0	157	6	8	206	10	0	5	1	8¼
50	0	0	60	70	0	0	80	0	0	100	0	0	120	0	0	160	0	0	210	0	0	5	0	0
50	4	2	60¼	70	5	10	80	6	8	100	8	4	120	10	0	160	13	4	210	17	6	4	19	7
50	8	4	60½	70	11	8	80	13	4	100	16	8	121	0	0	161	6	8	211	15	0	4	19	2
50	12	6	60¾	70	17	6	81	0	0	101	5	0	121	10	0	162	0	0	212	12	6	4	18	9
50	16	8	61	71	3	4	81	6	8	101	13	4	122	0	0	162	13	4	213	10	0	4	18	4¼
50	0	10	61¼	71	9	2	81	13	4	102	1	8	122	10	0	163	6	8	214	7	6	4	17	11½
51	5	0	61½	71	15	0	82	0	0	102	10	0	123	0	0	164	0	0	215	5	0	4	17	6½
51	9	2	61¾	72	0	10	82	6	8	102	18	4	123	10	0	164	13	4	216	2	6	4	17	2¾
51	13	4	62	72	6	8	82	13	4	103	6	8	124	0	0	165	6	8	217	0	0	4	16	9¼
51	17	6	62¼	72	12	6	83	0	0	103	15	0	124	10	0	166	0	0	217	17	6	4	16	4½
52	1	8	62½	72	18	4	83	6	8	104	3	4	125	0	0	166	13	4	218	15	0	4	16	0
52	5	10	62¾	73	4	2	83	13	4	104	11	8	125	10	0	167	6	8	219	12	6	4	15	7¼
52	10	0	63	73	10	0	84	0	0	105	0	0	126	0	0	168	0	0	220	10	0	4	15	2¾
52	14	2	63¼	73	15	10	84	6	8	105	8	4	126	10	0	168	13	4	221	7	6	4	14	10¼
52	18	4	63½	74	1	8	84	13	4	105	16	8	127	0	0	169	6	8	222	5	0	4	14	5¼
53	2	6	63¾	74	7	6	85	0	0	106	5	0	127	10	0	170	0	0	223	2	6	4	14	1¼
53	6	8	64	74	13	4	85	6	8	106	13	4	128	0	0	170	13	4	224	0	0	4	13	9
53	10	10	64¼	74	19	2	85	13	4	107	1	8	128	10	0	171	6	8	224	17	6	4	13	4½
53	15	0	64½	75	5	0	86	0	0	107	10	0	129	0	0	172	0	0	225	15	0	4	13	0¼
53	19	2	64¾	75	10	10	86	6	8	107	18	4	129	10	0	172	13	4	226	12	6	4	12	7¾
54	3	4	65	75	16	8	86	13	4	108	6	8	130	0	0	173	6	8	227	10	0	4	12	3½
54	7	6	65¼	76	2	6	87	0	0	108	15	0	130	10	0	174	0	0	228	7	6	4	11	11¼
54	11	8	65½	76	8	4	87	6	8	109	3	4	131	0	0	174	13	4	229	5	0	4	11	7
54	15	10	65¾	76	14	2	87	13	4	109	11	8	131	10	0	175	6	8	230	2	6	4	11	3
55	0	0	66	77	0	0	88	0	0	110	0	0	132	0	0	176	0	0	231	0	0	4	10	10¾
55	4	2	66¼	77	5	10	88	6	8	110	8	4	132	10	0	176	13	4	231	17	6	4	10	6¾
55	8	4	66½	77	11	8	88	13	4	110	16	8	133	0	0	177	6	8	232	15	0	4	10	2½
55	12	6	66¾	77	17	6	89	0	0	111	5	0	133	10	0	178	0	0	233	12	6	4	9	10½
55	16	8	67	78	3	4	89	6	8	111	13	4	134	0	0	178	13	4	234	10	0	4	9	6½
56	0	10	67¼	78	9	2	89	13	4	112	1	8	134	10	0	179	6	8	235	7	6	4	9	2½
56	5	0	67½	78	15	0	90	0	0	112	10	0	135	0	0	180	0	0	236	5	0	4	8	10½
56	9	2	67¾	79	0	10	90	6	8	112	18	4	135	10	0	180	13	4	237	2	6	4	8	7¼
56	13	4	68	79	6	8	90	13	4	113	6	8	136	0	0	181	6	8	238	0	0	4	8	2¾
56	17	6	68¼	79	12	6	91	0	0	113	15	0	136	10	0	182	0	0	238	17	6	4	7	10¾
57	1	8	68½	79	18	4	91	6	8	114	3	4	137	0	0	182	13	4	239	15	0	4	7	7
57	5	10	68¾	80	4	2	91	13	4	114	11	8	137	10	0	183	6	8	240	12	6	4	7	3¼
57	10	0	69	80	10	0	92	0	0	115	0	0	138	0	0	184	0	0	241	10	0	4	6	11½
57	14	2	69¼	80	15	10	92	6	8	115	8	4	138	10	0	184	13	4	242	7	6	4	6	7½
57	18	4	69½	81	1	8	92	13	4	115	16	8	139	0	0	185	6	8	243	5	0	4	6	3¾
58	2	6	69¾	81	7	6	93	0	0	116	5	0	139	10	0	186	0	0	244	2	6	4	6	0¼
58	6	8	70	81	13	4	93	6	8	116	13	4	140	0	0	186	13	4	245	0	0	4	5	8½
58	10	10	70¼	81	19	2	93	13	4	117	1	8	140	10	0	187	6	8	245	17	6	4	5	4¾
58	15	0	70½	82	5	0	94	0	0	117	10	0	141	0	0	188	0	0	246	15	0	4	5	1¼
58	19	2	70¾	82	10	10	94	6	8	117	18	4	141	10	0	188	13	4	247	12	6	4	4	9½
59	3	4	71	82	16	8	94	13	4	118	6	8	142	0	0	189	6	8	248	10	0	4	4	6
59	7	6	71¼	83	2	6	95	0	0	118	15	0	142	10	0	190	0	0	249	7	6	4	4	2½
59	11	8	71½	83	8	4	95	6	8	119	3	4	143	0	0	190	13	4	250	5	0	4	3	10¾
59	15	10	71¾	83	14	2	95	13	4	119	11	8	143	10	0	191	6	8	251	2	6	4	3	7¼
60	0	0	72	84	0	0	96	0	0	120	0	0	144	0	0	192	0	0	252	0	0	4	3	4
60	4	2	72¼	84	5	10	96	6	8	120	8	4	144	10	0	192	13	4	252	17	6	4	3	0½
60	8	4	72½	84	11	8	96	13	4	120	16	8	145	0	0	193	6	8	253	15	0	4	2	9
60	12	6	72¾	84	17	6	97	0	0	121	5	0	145	10	0	194	0	0	254	12	6	4	2	5½
60	16	8	73	85	3	4	97	6	8	121	13	4	146	0	0	194	13	4	255	10	0	4	2	2¼

2½ per cent.			3 per cent. Consls	3½ per cent.			4 per cent.			5 per cent.			6 per cent.			8 per cent.			10½ per cent.			Interest per cent. per Ann.		
£	s.	d.	£	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
61	0	10	73¼	85	9	2	97	13	4	122	1	8	146	10	0	195	6	8	256	7	6	4	1	10¾
61	5	0	73½	85	15	0	98	0	0	122	10	0	147	0	0	196	0	0	257	5	0	4	1	7½
61	9	2	73¾	86	0	10	98	6	8	122	18	4	147	10	0	196	13	4	258	2	6	4	1	4¼
61	13	4	74	86	6	8	98	13	4	123	6	8	148	0	0	197	6	8	259	0	0	4	1	0¾
61	17	6	74¼	86	12	6	99	0	0	123	15	0	148	10	0	198	0	0	259	17	6	4	0	9½
62	1	8	74½	86	18	4	99	6	8	124	3	4	149	0	0	198	13	4	260	15	0	4	0	6¼
62	5	10	74¾	87	4	2	99	13	4	124	11	8	149	10	0	199	6	8	261	12	6	4	0	3
62	10	0	75	87	10	0	100	0	0	125	0	0	150	0	0	200	0	0	262	10	0	4	0	0
62	14	2	75¼	87	15	10	100	6	8	125	8	4	150	10	0	200	13	4	263	7	6	3	19	8¾
62	18	4	75½	88	1	8	100	13	4	125	16	8	151	0	0	201	6	8	264	5	0	3	19	5½
63	2	6	75¾	88	7	6	101	0	0	126	5	0	151	10	0	202	0	0	265	2	6	3	19	2¼
63	6	8	76	88	13	4	101	6	8	126	13	4	152	0	0	202	13	4	266	0	0	3	18	11¼
63	10	10	76¼	88	19	2	101	13	4	127	1	8	152	10	0	203	6	8	266	17	6	3	18	8¼
63	15	0	76½	89	5	0	102	0	0	127	10	0	153	0	0	204	0	0	267	15	0	3	18	5
63	19	2	76¾	89	10	10	102	6	8	127	18	4	153	10	0	204	13	4	268	12	6	3	18	2
64	3	4	77	89	16	8	102	13	4	128	6	8	154	0	0	205	6	8	269	10	0	3	17	11
64	7	6	77¼	90	2	6	103	0	0	128	15	0	154	10	0	206	0	0	270	7	6	3	17	8
64	11	8	77½	90	8	4	103	6	8	129	3	4	155	0	0	206	13	4	271	5	0	3	17	5
64	15	10	77¾	90	14	2	103	13	4	129	11	8	155	10	0	207	6	8	272	2	6	3	17	2
65	0	0	78	91	0	0	104	0	0	130	0	0	156	0	0	208	0	0	273	0	0	3	16	11¾
65	4	2	78¼	91	5	10	104	6	8	130	8	4	156	10	0	208	13	4	273	17	6	3	16	8
65	8	4	78½	91	11	8	104	13	4	130	16	8	157	0	0	209	6	8	274	15	0	3	16	5
65	12	6	78¾	91	17	6	105	0	0	131	5	0	157	10	0	210	0	0	275	12	6	3	16	2¼
65	16	8	79	92	3	4	105	6	8	131	13	4	158	0	0	210	13	4	276	10	0	3	15	11¼
66	0	10	79¼	92	9	2	105	13	4	132	1	8	158	10	0	211	6	8	277	7	6	3	15	8½
66	5	0	79½	92	15	0	106	0	0	132	10	0	159	0	0	212	0	0	278	5	0	3	15	5¼
66	9	2	79¾	93	0	10	106	6	8	132	18	4	159	10	0	212	13	4	279	2	6	3	15	2¾
66	13	4	80	93	6	8	106	13	4	133	6	8	160	0	0	213	6	8	280	0	0	3	15	0
66	17	6	80¼	93	12	6	107	0	0	133	15	0	160	10	0	214	0	0	280	17	6	3	14	9
67	1	8	80½	93	18	4	107	6	8	134	3	4	161	0	0	214	13	4	281	15	0	3	14	6¼
67	5	10	80¾	94	4	2	107	13	4	134	11	8	161	10	0	215	6	8	282	12	6	3	14	3½
67	10	0	81	94	10	0	108	0	0	135	0	0	162	0	0	216	0	0	283	10	0	3	14	0¾
67	14	2	81¼	94	15	10	108	6	8	135	8	4	162	10	0	216	13	4	284	7	6	3	13	10
67	18	4	81½	95	1	8	108	13	4	135	16	8	163	0	0	217	6	8	285	5	0	3	13	7¼
68	2	6	81¾	95	7	6	109	0	0	136	5	0	163	10	0	218	0	0	286	2	6	3	13	4½
68	6	8	82	95	13	4	109	6	8	136	13	4	164	0	0	218	13	4	287	0	0	3	13	2
68	10	10	82¼	95	19	2	109	13	4	137	1	8	164	10	0	219	6	8	287	17	6	3	12	11¼
68	15	0	82½	96	5	0	110	0	0	137	10	0	165	0	0	220	0	0	288	15	0	3	12	8½
68	19	2	82¾	96	10	10	110	6	8	137	18	4	165	10	0	220	13	4	289	12	6	3	12	6
69	3	4	83	96	16	8	110	13	4	138	6	8	166	0	0	221	6	8	290	10	0	3	12	3¼
69	7	6	83¼	97	2	6	111	0	0	138	15	0	166	10	0	222	0	0	291	7	6	3	12	0¾
69	11	8	83½	97	8	4	111	6	8	139	3	4	167	0	0	222	13	4	292	5	0	3	11	10¼
69	15	10	83¾	97	14	2	111	13	4	139	11	8	167	10	0	223	16	8	293	2	6	3	11	7½
70	0	0	84	98	0	0	112	0	0	140	0	0	168	0	0	224	0	0	294	0	0	3	11	5
70	4	2	84¼	98	5	10	112	6	8	140	8	4	168	10	0	224	13	4	294	17	6	3	11	2½
70	8	4	84½	98	11	8	112	13	4	140	16	8	169	0	0	225	6	8	295	15	0	3	11	0
70	12	6	84¾	98	17	6	113	0	0	141	5	0	169	10	0	226	0	0	296	12	6	3	10	9½
70	16	8	85	99	3	4	113	6	8	141	13	4	170	0	0	226	13	4	297	10	0	3	10	7
71	0	10	85¼	99	9	2	113	13	4	142	1	8	170	10	0	227	6	8	298	7	6	3	10	4½
71	5	0	85½	99	15	0	114	0	0	142	10	0	171	0	0	228	0	0	299	5	0	3	10	2
71	9	2	85¾	100	0	0	114	6	8	142	18	4	171	10	0	228	13	4	300	2	6	3	9	11½
71	13	4	86	100	6	8	114	13	4	143	6	8	172	0	0	229	6	8	301	0	0	3	9	9
71	17	6	86¼	100	12	6	115	0	0	143	15	0	172	10	0	230	0	0	301	17	6	3	9	6¾
72	1	8	86½	100	18	4	115	6	8	144	3	4	173	0	0	230	13	4	302	15	0	3	9	4¼
72	5	10	86¾	101	4	2	115	13	4	144	11	8	173	10	0	231	6	8	303	12	6	3	9	1¾
72	10	0	87	101	10	0	116	0	0	145	0	0	174	0	0	232	0	0	304	10	0	3	8	11½
72	14	2	87¼	101	15	10	116	6	8	145	8	4	174	10	0	232	13	4	305	7	6	3	8	9
72	18	4	87½	102	1	8	116	13	4	145	16	8	175	0	0	233	6	8	306	5	0	3	8	6¾
73	2	6	87¾	102	7	6	117	0	0	146	5	0	175	10	0	234	0	0	307	2	6	3	8	4½
73	6	8	88	102	13	4	117	6	8	146	13	4	176	0	0	234	13	4	308	0	0	3	8	2
73	10	10	88¼	102	19	2	117	13	4	147	1	8	176	10	0	235	6	8	308	17	6	3	7	11¾
73	15	0	88½	103	5	0	118	0	0	147	10	0	177	0	0	236	0	0	309	15	0	3	7	9½
73	19	2	88¾	103	10	10	118	6	8	147	18	4	177	10	0	236	13	4	310	12	6	3	7	7¼
74	3	4	89	103	16	8	118	13	4	148	6	8	178	0	0	237	6	8	311	10	0	3	7	4¾
74	7	6	89¼	104	2	6	119	0	0	148	15	0	178	10	0	238	0	0	312	7	6	3	7	2½
74	11	8	89½	104	8	4	119	6	8	149	3	4	179	0	0	238	13	4	313	5	0	3	7	0½
74	15	10	89¾	104	14	2	119	13	4	149	11	8	179	10	0	239	6	8	314	2	6	3	6	10
75	0	0	90	105	0	0	120	0	0	150	0	0	180	0	0	240	0	0	315	0	0	3	6	8
75	4	2	90¼	105	5	10	120	6	8	150	8	4	180	10	0	240	13	4	315	17	6	3	6	5¾
75	8	4	90½	105	11	8	120	13	4	150	16	8	181	0	0	241	6	8	316	15	0	3	6	3½

2½ per cent.			3 per cent. Consls	3½ per cent.			4 per cent.			5 per cent.			6 per cent.			8 per cent.			10½ per cent.			Interest per cent. per Ann.		
£	s.	d.	£	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
75	12	6	90¾	105	17	6	121	0	0	151	5	0	181	10	0	242	0	0	317	12	6	3	6	1¼
75	16	8	91	106	3	4	121	6	8	151	13	4	182	0	0	242	13	4	318	10	0	3	5	11
76	0	10	91¼	106	9	2	121	13	4	152	1	8	182	10	0	243	6	8	319	7	6	3	5	9
76	5	0	91½	106	15	0	122	0	0	152	10	0	183	0	0	244	0	0	320	5	0	3	5	6¾
76	9	2	91¾	107	0	10	122	6	8	152	18	4	183	10	0	244	13	4	321	2	6	3	5	4½
76	13	4	92	107	6	8	122	13	4	153	6	8	184	0	0	245	6	8	322	0	0	3	5	2½
76	17	6	92¼	107	12	6	123	0	0	153	15	0	184	10	0	246	0	0	322	17	6	3	5	0¼
77	1	8	92½	107	18	4	123	6	8	154	3	4	185	0	0	246	13	4	323	15	0	3	4	10¼
77	5	10	92¾	108	4	2	123	13	4	154	11	8	185	10	0	247	6	8	324	12	6	3	4	8¼
77	10	0	93	108	10	0	124	0	0	155	0	0	186	0	0	248	0	0	325	10	0	3	4	6
77	14	2	93¼	108	15	10	124	6	8	155	8	4	186	10	0	248	13	4	326	7	6	3	4	4
77	18	4	93½	109	1	8	124	13	4	155	16	8	187	0	0	249	6	8	327	5	0	3	4	2
78	2	6	93¾	109	7	6	125	0	0	156	5	0	187	10	0	250	0	0	328	2	6	3	4	0
78	6	8	94	109	13	4	125	6	8	156	13	4	188	0	0	250	13	4	329	0	0	3	3	9¾
78	10	10	94¼	109	19	2	125	13	4	157	1	8	188	10	0	251	6	8	329	17	6	3	3	7¾
78	15	0	94½	110	5	0	126	0	0	157	10	0	189	0	0	252	0	0	330	15	0	3	3	5¾
78	19	2	94¾	110	10	10	126	6	8	157	18	4	189	10	0	252	13	4	331	12	6	3	3	3¾
79	3	4	95	110	16	8	126	13	4	158	6	8	190	0	0	253	6	8	332	10	0	3	3	1¾
79	7	6	95¼	111	2	6	127	0	0	158	15	0	190	10	0	254	0	0	333	7	6	3	2	11¾
79	11	8	95½	111	8	4	127	6	8	159	3	4	191	0	0	254	13	4	334	5	0	3	2	9¾
79	15	10	95¾	111	14	2	127	13	4	159	11	8	191	10	0	255	6	8	335	2	6	3	2	7¾
80	0	0	96	112	0	0	128	0	0	160	0	0	192	0	0	256	0	0	336	0	0	3	2	6
80	4	2	96¼	112	5	10	128	6	8	160	8	4	192	10	0	256	13	4	336	17	6	3	2	4
80	8	4	96½	112	11	8	128	13	4	160	16	8	193	0	0	257	6	8	337	15	0	3	2	2
80	12	6	96¾	112	17	6	129	0	0	161	5	0	193	10	0	258	0	0	338	12	6	3	2	0
80	16	8	97	113	3	4	129	6	8	161	13	4	194	0	0	258	13	4	339	10	0	3	1	10¼
81	0	10	97¼	113	9	2	129	13	4	162	1	8	194	10	0	259	6	8	340	7	6	3	1	8¼
81	5	0	97½	113	15	0	130	0	0	162	10	0	195	0	0	260	0	0	341	5	0	3	1	6¼
81	9	2	97¾	114	0	10	130	6	8	162	18	4	195	10	0	260	13	4	342	2	6	3	1	4½
81	13	4	98	114	6	8	130	13	4	163	6	8	196	0	0	261	6	8	343	0	0	3	1	2½
81	17	6	98¼	114	12	6	131	0	0	163	15	0	196	10	0	262	0	0	343	17	6	3	1	0¾
82	1	8	98½	114	18	4	131	6	8	164	3	4	197	0	0	262	13	4	344	15	0	3	0	10¾
82	5	10	98¾	115	4	2	131	13	4	164	11	8	197	10	0	263	6	8	345	12	6	3	0	9
82	10	0	99	115	10	0	132	0	0	165	0	0	198	0	0	264	0	0	346	10	0	3	0	7¼
82	14	2	99¼	115	15	10	132	6	8	165	8	4	198	10	0	264	13	4	347	7	6	3	0	5¼
82	18	4	99½	116	1	8	132	13	4	165	16	8	199	0	0	265	6	8	348	5	0	3	0	3½
83	2	6	99¾	116	7	6	133	0	0	166	5	0	199	10	0	266	0	0	349	2	6	3	0	1¾
83	6	8	100	116	13	4	133	6	8	166	13	4	200	0	0	266	13	4	350	0	0	3	0	0

The above Table shews the relative value of several stocks at different prices in the market, and may be thus explained:—The 2nd column, which advances by one quarter per cent. from 60 to 100, is the measuring column of all the rest. The reason for taking a 3 per cent. stock for this purpose, is because in that stock the principal transactions of the Public Funds are conducted under the common term "Consols"; consequently all other stocks, whatever their nature, are, in the ordinary conduct of business, compared with this description: so that the rate of interest per annum given in the 9th column is the rate yielded by a 3 per cent. stock at the several prices given in the 2nd column; while the prices given in the other columns are such as would yield the same rate of interest when compared with a 3 per cent. stock. For instance, when a 3 per cent. stock stands at 60, the annual rate of interest yielded by investing at that price would be £5 per cent.; the price of a 2½ per cent. stock

would stand at £50; a $3\frac{1}{2}$ per cent. stock at £70; a 4 per cent. stock at £80; a 5 per cent. stock at £100; a 6 per cent. stock at £120; an 8 per cent. stock at £160; and a $10\frac{1}{2}$ per cent. stock at £210, to yield precisely the same rate of interest per annum; therefore every column in the above Table shews the relative price of each stock bearing the rate of interest specified at the head of such column. Thus, if the present price of Consols be taken at 93, the interest yielded to the purchaser for investment is shewn to be at the rate of £3 4*s.* 6*d.* per annum; the price of Bank Stock to yield the same rate should be £248, assuming the dividend to be 8 per cent. per annum; and India Stock £$325\frac{1}{2}$. These tables, however, though usually found in works of this description, must be understood as *approximative* only, and not mathematically correct. For instance, the ratio in the rise of prices in a 3 per cent. stock is calculated at $\frac{1}{4}$ per cent., or 5*s.* in every £100; therefore there is a constantly decreasing ratio between the rate of interest and the capital stock; for while the capital increases in price, the interest diminishes. Therefore, the ratio of difference between the interest yielded by purchasing a 3 per cent. stock at 60 and $60\frac{1}{4}$ is in reality 4.998*d.*, or very nearly 5*d.*; but it will be found that the ratio of difference when the price of Consols has reached $99\frac{3}{4}$ is only 1.814*d.*, or a small fraction below 2*d.*; the remainders, therefore, in calculating the interest on large sums would amount to something considerable. Thus, the rate of interest upon Consols purchased at 93, is given at £3 4*s.* 6*d.* per cent.; but the actual rate per cent. is £3 4*s.* 6.1935*d.*; so that by omitting the fraction in calculating the interest on £100,000 Consols at the rate given in the Table the loss would amount to the sum of 16*s.*; and so in proportion to a greater or less amount. Of course in small transactions the fractional remainder is of no importance; but it has been thought desirable to shew the extent to which a table of this kind can be depended upon for accuracy, in transactions where great nicety is required.

Tontines.

It is only necessary, in referring to annuities of this kind, to give a brief account of their nature and origin, as they have long ceased to form any part of our public finances. The name is derived from one Lorenzo Tonti, a Neapolitan, who first introduced the scheme into France in 1653. The subscribers were divided into ten classes, according to their ages, or they had the power to appoint nominees: a certain portion of the annuity was assigned to each class, and those who survived the rest had the benefit of the whole annuity. It would occupy too much space to give the details of these schemes, and to shew their results. The last surviving annuitant of the second Tontine opened in France in 1689 was a widow, who lived to the age of ninety-six, and received an income of 73,500 livres tournois, or about £2,900 a-year, for an original contribution of 300 livres, or about £12 sterling; but the Council of State formally abrogated the system in 1763. In this country Tontines have not entered much into the financial operations of the English Government, and the last for which subscriptions were opened was in 1789. The terms were, for every subscriber of £100 5*s.* an annuity on the life of his nominee from £4 3*s.* to £5 5*s.*, according to age, till the annuity on the original share amounted to £1,000, and the excess of that sum to go to the public benefit. The sum proposed to be raised was 1,002,140; but it proved a failure, and this was the last of the Tontine schemes adopted by Government. Private individuals still practice this mode of getting rid of property, but it receives very little support from the public.

Lotteries.

The practice of raising money by lotteries is wholly unknown to a great portion of the present generation, although it was formerly resorted to by the State under Acts of Parliament: there are, however, many living who can remember when every town and village in the kingdom was excited by these schemes, and when the flaming bills of "T. Bish, Cornhill," might be seen in the cottages of the labourer in all parts of the country. The origin of this custom is involved in obscurity; it probably

arose from that weakness in human nature which is ever prone to anticipate some good fortune arising from chances, in which every one expects and hopes to be successful; and States as well as individuals have availed themselves of it to accomplish their object. The practice was to sell a number of tickets, for more than they were actually worth, and only a part of the money was distributed by lot amongst a few of the purchasers of chances, so that a great number were certain to lose in the adventure. Contractors gained a profit by selling shares of tickets, which they divided into portions as small as sixteenths. Most of the prizes were paid in either terminable or perpetual annuities; but the practice undoubtedly led to a vast amount of gambling and immorality, which was, in the reign of Queen Anne, designated "a public nuisance."

In 1693 an act was passed to raise £1,000,000 by lottery tickets of £10 each, the interest to be paid by an additional excise duty on beer, amounting to £140,000 per annum, or at the rate of 14 per cent. The 34th section says—

"Natives or aliens may advance £1,000,000 by paying the sum of £10, or divers entire sums of £10, upon this act; and for the raising the said sum of £1,000,000, any person who will become an adventurer shall and may advance the sum of £10, for which sum so advanced he, she, or they, for *sixteen years*, shall be entitled to receive a share or dividend of the said yearly fund."

This loan was, therefore, contracted at the rate of 14 per cent. per annum. Most of the loans raised during the wars from 1756 to 1763 were by lotteries in some form or another. In the year 1769 the prizes were paid in money: in many others they were funded; but this practice was afterwards abandoned.

Lotteries have been common in almost all parts of the world for various objects; but it is pretty certain that they have been productive of much more evil than good, and that they are a cause of great demoralization amongst the people.

In 1823 an act was passed for putting down all private lotteries, and making it illegal to sell in this country any foreign lottery tickets or shares; but this has not been sufficient to prevent many foreign schemes from meeting with encouragement in England. The State has long since ceased to adopt such measures for contracting loans.

The Funding System.

The application of the term "Funding" to what is absolutely the contracting of a debt is not very appropriate; and it is equally erroneous to consider the Public Funds as abstract wealth; they are nothing more than an index of a certain portion of the national wealth distributed amongst a number of individuals, who have lent their money capital to the Government, on condition of receiving an annuity or dividend, either in perpetuity, or for a limited term of years, at a certain rate agreed upon: and although it is generally arranged in contracting such debts that Government shall have the power to discharge the original sum borrowed, it is not permitted to the *lender* to demand its repayment. Therefore what is commonly called "Selling out of the Funds" is, strictly speaking, transferring from one person to another the right to receive an annuity from Government; and it is this which constitutes the difference between stock, and monies borrowed on ordinary securities—such as bonds, debentures, &c., which have a definite period fixed for the repayment of the sums they represent. In the former case, the whole amount of capital is dispersed, while in the latter it is preserved in some form, so as to be repaid at certain periods with interest. But it is impossible that a Public Debt can in any way augment the wealth of a nation, though it may be of some public advantage when the powers of production are exceedingly great, and the surplus capital of the country increases in a rapid ratio. While, therefore, the convenience of having Government securities that may be exchanged for the surplus capital of the country is admitted, it cannot be correct to say that Public Debt is a fund. It is probable that the term originated under a system of borrowing, which did substantially provide a "fund" for the repayment of debt; for although the Public Debt of Great Britain only dates from 1688, taxes were levied to cover the amount; and the first two loans of £250,000, and £500,000, contracted by William III., were only borrowed for three years, and repayable out of certain taxes set apart for that purpose.

Some writers have asserted that the present system of funding arose out of the charter granted to the Governor and Company of the Bank of England; but this has certainly no foundation in fact. The funding system, as it exists at present, undoubtedly

had its origin in the extraordinary demands created by the war carried on between this country and France from 1689 to 1697; which were so great as to render it impossible to meet even the *interest* on loans by taxation: hence all sorts of financial schemes were resorted to in order to obtain money in the shape of taxes, lotteries, terminable and life annuities, and by every combination that could be formed of these elements. The cost at which money was obtained in this reign may be inferred from the fact that of £44,100,795 borrowed, only £34,034,518 was actually received by the Government, or about 77 per cent. This explains why, at the end of the reign of William III., there was a debt of £16,394,702, with an annual interest of £1,310,942. In cases where money was borrowed upon life and terminable annuities, the terms were much more unfavourable; the former being had at the rate of from nine to twelve years' purchase, and in some instances as low as seven years; and the latter at rates not exceeding sixteen years.* It would be difficult to find a more corrupt system of contracting Public Debt than that which arose about this period; to meet which, nearly every tax that has been handed down to posterity of an obnoxious character was imposed. But such was the political state of the country, that it would have been impossible to obtain money upon any but the most usurious terms.

Funding Exchequer Bills.

The increase of the Permanent Debt by the funding of Exchequer Bills was first adopted in 1717; and whatever objections may be raised against the system of funding by contracting loans, they apply with much greater force to the practice of funding these bills, inasmuch as they are not money, in the usual sense of the term, but *credit* obtained by an Act of Parliament in every session; and as it can be used by an extravagant Government without the knowledge of the public as to its direct appropriation, it becomes a dangerous instrument, unless strictly guarded from improvident management. There cannot be a doubt as to the advantage of Exchequer Bills in the ordinary transactions of business, and it is to be regretted

* There are instances on record where annuities of ninety-six years were purchased by advancing sums to the Government, equivalent to not more than four-and-a-half years' purchase.

that their utility is not of a more extended character. But the practice of converting such securities into perpetual debt ought not to be sanctioned as a sound principle of finance, nor permitted, except under circumstances of an extraordinary and urgent character. By tracing the history of the Exchequer Bill department for a number of years, it will be seen that it has been productive of many of the most improvident uses of the public money and public credit; and hence the objections which may be justly raised against allowing the operations of this department to be converted into a perpetual liability of the State.

The Sinking Fund.

It was not until the Public Debt had reached the sum of £54,000,000, that a systematic plan was adopted for the redemption of the capital, and the funding of Exchequer Bills in 1717 was a part of the scheme. Sir Robert Walpole was the first Minister who introduced the system into our national finances in 1716; at this period the revenue from certain taxes was in excess of the charges upon them, and the surplus was formed into a "Sinking Fund," for the purpose of redeeming the National Debt; but the demands of Government soon prevented any surplus revenue for this purpose; still the system was maintained by borrowing loans to keep up the Fund, and which ultimately led to one of the greatest errors in finance. Dr. Hamilton gives the following sums borrowed for this purpose from 1718 to 1738:—

In 1718	£505,995
1719	312,737
1720	500,000
1721	1,000,000
1725	500,000
1726	370,000
1727	1,750,000
1728	1,230,000
1729	550,000
1730	1,200,000
1738	500,000
	£8,418,732

From 1716 to 1728 the capital debt redeemed amounted only to £6,648,000, while £6,168,000 was borrowed in the same period to support the Fund, which, in 1728 and subsequent years, became chargeable with the interest of the loans; but the practice was, in a few years, of necessity abandoned, and the Sinking Fund was, in many instances, diverted from its legitimate objects, until at last it became almost useless for such a purpose.

Dr. Price, however, appears to have been so strongly impressed with the accumulating powers of the compound interest of money, that he recommended the Fund to be strictly maintained, even by borrowing loans for that purpose; but his opinions have long since been exploded by more correct views of financial science.

In 1786, Mr. Pitt introduced a plan of appropriating £1,000,000 annually, taken from the Consolidated Fund, to purchase of stock at the market prices, adding to it the interest of the debt redeemed, and expired annuities; but so soon as the fund had reached £4,000,000, the interest on the redeemed debt, and the expired annuities were no longer to be thus applied; the opinion being that the Fund of 4,000,000 was sufficient in itself to redeem the capital at compound interest. The result of this plan having been pursued with no better success than the former it was abolished in 1829, after having saddled the country with upwards of £11,000,000 more than it would have owed, had no such plan been adopted; affording a remarkable proof of the tenacity with which Governments will cling to custom, though condemned by the most palpable evidence from reason and from facts. One would suppose, that to borrow money with one hand to pay debts on the other, and often at a higher rate of interest, would alone have been sufficient to expose the fallacy of such a practice; but when to this were added the costly machinery of commissioners to keep it in operation, and the constant appropriation of the funds to other purposes, the fallacy seems too glaring to gain credence, and yet it was allowed to occupy an important place in our financial system for 113 years.

In 1792 the plan of setting aside 1 per cent. on the *nominal* capital of every loan, to which the dividends on the sum redeemed by this Fund were to be added; and it was estimated that every

loan would be redeemed in 44 years. But, as it has been remarked by Dr. Hamilton, the period of redemption depends on the rate of interest, and the comparative prices of stocks in which the debt is contracted, and during the period of its redemption; "supposing these equal," he says, "and the sinking fund 1-100th of the sum borrowed, the periods of redemption are—

At 3 per cent. interest	.....	47 years.
3½ "	.....	44 "
4 "	.....	41 "
5 "	.....	37 ".

"But if the loan be funded in 3 per cents. at 60, and therefore the sinking fund 1-60th part of the sum borrowed, the periods required for redemption are—

At 3 per cent.	.....	35 years.
3½ "	.....	33 "
4 "	.....	31 "
5 "	.....	29 ". "

In 1798 the plan of setting aside 1 per cent. on the nominal capital of loans was departed from; and in the following year they were charged on the Income-tax, until 1802, when it was re-adopted and adhered to for several years. But none of the above plans have been found really efficacious in materially reducing the capital of the Public Debt. At the same time it is not impossible that some plan could be introduced that would accomplish this object.

The principal errors in all the schemes for establishing a Sinking Fund appear to have arisen from the practice of borrowing money to maintain it; by mixing it up with transactions of a speculative character; by making an erroneous estimate of compound interest, as applicable to the discharge of debt; and, lastly, by the adoption of expensive machinery to carry it into operation.

If, then, it be desirable to redeem any part of the capital amount of the Public Debt, what are the best means for accomplishing this object? The whole matter resolves itself into a question of annuities, or, in plain terms, annual interest; for it is the annual interest, and not the nominal capital of the Debt, which indicates the real burden upon the people. There are three ways open to a Government to effect this result: 1. By

reducing the annual interest on any description of stock. 2. By applying the surplus revenue to the purchase and cancelling of stock. 3. By setting aside a certain amount of the annual estimated expenditure for the same purpose, as in the case of the recent loans set forth at page 28. It has been affirmed as an axiom by some, that the excess of income over expenditure is the only real fund that can be applied to the discharge of the Public Debt. But it may be shewn, that by allowing this to be the only process, its reduction would be effected very slowly; and as some Governments are so extravagant as never to have a surplus, they would never apply any part of the revenue to that purpose. It is, therefore, considered that the plan adopted in the recent loans of placing the sinking fund as a direct charge upon the Consolidated Fund, and keeping up the revenue to that extent, is by far the sounder principle of the two. This view entirely accords with Dr. Hamilton's opinions on the subject, when he says:—

> "The excess of revenue above expenditure is the only real sinking fund by which the Public Debt can be discharged. The *increase* of the revenue or the diminution of expense are the only means by which this sinking fund can be enlarged, and its operations rendered more effectual; and all schemes for discharging the National Debt by sinking funds, operating by *compound interest*, or in any other manner, unless so far as they are founded upon this principle, are illusory."

It is impossible to refute this argument on any practicable grounds; but before concluding this subject, it may be as well to shew by a few figures how "illusory" are the notions about the extraordinary powers of compound interest.

In the application of money to the discharge of debts, it must come under one of three processes: 1. By paying the interest, and applying any surplus income to the discharge of a portion of the principal; 2. By paying the interest only, and allowing the surplus income to accumulate, in accordance with Dr. Price's scheme, at compound interest, and afterwards applying it to the reduction of the principal of the debt; 3. By allowing the *whole* surplus income to accumulate at compound interest, without paying the interest annually.

Let it be supposed, according to the *first* principle, that a person owed £1000, which he had borrowed at 5 per cent. per annum, and that he had a surplus income of £70 a-year,

which he would apply to the reduction of the debt, principal and interest; after paying £50 for interest the first year, he would have £20 to apply to the reduction of the principal; by pursuing this course each year, his debt would stand as follows:—

	£	s.	d.
1st year	980	0	0
2nd „	959	0	0
3rd „	936	19	0
4th „	913	15	$11\frac{40}{100}$
5th „	889	9	$8\frac{97}{100}$

By the *second* process of paying the annual interest and allowing the surplus to accumulate at compound interest, the fund will stand at the end of each year as follows:—

	£	s.	d.
1st year	20	0	0
2nd „	41	0	0
3rd „	63	1	0
4th „	86	4	$0\frac{60}{100}$
5th „	110	10	$3\frac{3}{100}$

By subtracting the above sums from the original debt, the capital will be found precisely the same as in the previous calculation at the end of each year, thus—

1st Year.			2nd Year.			3rd Year.			4th Year.			5th Year.		
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1000	0	0	1000	0	0	1000	0	0	1000	0	0	1000	0	0
20	0	0	41	0	0	63	1	0	86	4	$0\frac{60}{100}$	110	10	$3\frac{3}{100}$
980	0	0	959	0	0	936	19	0	913	15	$11\frac{40}{100}$	889	9	$8\frac{97}{100}$

It is here shewn, that assuming the rate of interest to be uniform in both cases, the application of the surplus income to the reduction of the capital, after discharging the interest, produces exactly the same result, with this preference to the plan of reducing the capital while paying the interest, that it saves all the labor and expense which must ever attend the management of any sinking fund.

The *third* illustration is by allowing the *whole* of the surplus income to accumulate at compound interest, which would produce the following results on the debt and sinking fund at the end of each year:—

	Accumulating Debt.			Sinking Fund by Surplus Income.		
	£	s.	d.	£	s.	d.
1st year.....	1050	0	0	70	0	0
2nd „	1102	10	0	143	10	0
3rd „	1157	12	6	220	13	6
4th „	1215	10	$1\frac{50}{100}$	301	14	$2\frac{10}{100}$
5th „	1276	5	$7\frac{575}{1000}$	386	15	$10\frac{605}{1000}$

By subtracting the above sinking fund from the accumulating debt, the result will leave the amount precisely the same as under the *first* process of reduction, thus—

1st Year.			2nd Year.			3rd Year.			4th Year.			5th Year.		
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1050	0	0	1102	10	0	1157	12	6	1215	10	$1\frac{50}{100}$	1276	5	$7\frac{575}{1000}$
70	0	0	143	10	0	220	13	6	301	14	$2\frac{10}{100}$	386	15	$10\frac{605}{1000}$
980	0	0	959	0	0	936	19	0	913	15	$11\frac{40}{100}$	889	9	$8\frac{97}{100}$

These calculations shew that the wonderful power attributed to compound interest, by such writers as Dr. Price, in reducing debt, is a great fallacy; and that if any preference can be given, it is in favor of paying off the capital to the extent of the surplus income, so as to avoid any additional trouble or expense. This fallacy arises from the error of supposing that the *interest* of a debt possesses a greater power of accumulation than the *capital*, than which nothing can be more incorrect; and hence any attempt at such a scheme by Government, which involves a costly machinery, is a reckless expenditure of the public money. As well might a passenger, travelling from London to Liverpool, expect to reach the end of his journey more speedily by placing himself in a first-class carriage instead of a second, as to suppose that the Public Debt can be reduced sooner by compound interest than by reducing the capital annually with surplus revenue. Like railway travellers in first and second class carriages, they both proceed with the same velocity, and come to their journey's end precisely at the same time.

The Loan System.

The system of contracting public loans is conducted in a variety of ways, but principally by granting annuities in a larger amount of nominal capital than the sum advanced, a practice which has

been condemned by some writers on finance, and supported by others. It is not easy to lay down one general rule that can be adhered to at all times, and under all circumstances; and although it may be proved in theory that loans would be more advantageously contracted in stock at par, or in terminable annuities, there are obstacles in the way of accomplishing this which are too formidable to be overlooked. In contracting public loans, no Finance Minister should forget that any new stock thus created must be negotiable and of a marketable character. If perpetual and terminable annuities are compared together in this respect, the former will be found highly preferable to the latter. There are several reasons for this, which admit of explanation. In the first place, perpetual annuities are very simple in their nature, and come within the scope of almost every body's comprehension. The conditions of transfer, either by sale or purchase, are equally free from complications; nor is there any contingency attending them that is not clearly defined: these qualities have contributed more than any other to render them a favourite security for investment or speculation. This cannot be said with regard to Terminable Annuities, Tontines, and Lotteries, which are more or less encumbered with technicalities that embarrass the public; for which reason they are not considered as generally of a marketable nature: and securities which are not marketable, can never be forced upon the public to any extent.

The plan of conducting a loan operation is, for the Chancellor of the Exchequer to announce to the Governor and Deputy-Governor of the Bank of England, that the First Lord of the Treasury will be ready, on a given day, to meet capitalists desirous of contracting for the loans, and to communicate to them the amount and the conditions on which it will be entered into. This having been accomplished, a day is fixed for receiving tenders or biddings for the loan at the Treasury, and the terms which the Government are willing to accept are placed in a sealed paper in the hands of the Governor of the Bank of England. After the tenders presented by capitalists are opened and read, the price reserved by the Government is made known. When the loan is for a large sum, there is sometimes competition amongst capitalists for the contract; but when it is only for a small amount, it is mostly taken by one contractor; for a

division of interests is not considered beneficial to the contractors, who open a subscription list to such persons as may be desirous of subscribing for a portion of the loan, somewhat in the following form:—

"Messrs. Rothschild & Sons beg to announce to the public, that they are ready to receive applications for the proposed loan from parties desirous of participating therein, and will receive the same until Thursday next at two o'clock.

"It is necessary that any application be accompanied with a deposit in money of — per cent. on the amount thereof; and if the amount applied for be not allotted, the proportion of the deposit will be forthwith returned."

It is, perhaps, almost unnecessary to state, that the subscriptions on these occasions are to a great extent speculative, arising from an expected premium on the scrip, and therefore the amount applied for generally far exceeds the loan; but the stock ultimately becomes absorbed by the public for investment, and the contractors profit by acting as agents for its distribution at a small premium.

In contracting public loans in this country, the practice of entering into the bargain with one capitalist has been generally adhered to; but the Emperor Napoleon III. has adopted a different course, by throwing them open to the public, and receiving subscriptions for sums as low as 10 francs of *Rente*.

With regard to the contracting of loans in a nominal capital far beyond the sums advanced, the disadvantage to the public is more apparent than real; for it is the annual *interest* that measures the weight of the burden. The practice of giving a greater amount of stock in exchange for money, necessarily raises the rate something above that in which the stock is created, and varies in proportion to the price of such stock in the market. Thus the loan of £16,000,000, contracted in 1855, was in Consols at $86\frac{3}{4}$, but the actual rate of interest was £3 9*s.* 2*d.* per cent.; whereas the loan of £5,000,000, contracted in May, 1856, at 93, was only £3 4*s.* 6*d.* per cent. It may, however, be remarked, that when a loan is contracted in a 3 per cent. stock, there is scarcely any chance of reducing the rate of interest, and the redemption of the debt can only be effected by having a surplus revenue applied to the purchase of stock, or of raising an annual fund for its redemption, as in the case of the loans contracted during the war with Russia.

Distribution of the Public Debt.

The last stage of the Public Debt of the United Kingdom is shewn in its *Distribution* amongst the population. The effect which it would ultimately produce upon the social and political institutions of the country has been variously interpreted and predicted; some affirming, that it would in the end create a national bankruptcy; while others, more sanguine of our capabilities of bearing taxation, have asserted that it is far below the amount that could really be sustained. A medium between these two opinions is probably the more correct. That a debt of upwards of £800,000,000 has been contracted since the Revolution of 1688 is an indisputable proof that the capital, or real wealth of the country, has increased enormously. But it is fair to assume that the same capital, borrowed chiefly for the purposes of war, would have accomplished still greater results had it been applied to the production and distribution of national wealth.

Dr. Hamilton remarks :—

"It is unwarrantable to affirm that the contraction of debt is necessary in order to find employment to this capital, or that it could not have been invested in various ways to the further increase of our public wealth in its genuine sources. This would have diffused an additional share of the comforts of life through every rank of society. The taxes which the Public Debt requires lessens these comforts. The wars in which money has been expended, if not unnecessary, is certainly unprofitable. The interest of the Public Debt is, for the greater part, drawn from the profits of the industrious part of society, and paid to the idle and luxurious. It is drawn from the merchant, the manufacturer, the farmer, and paid to the stockholder. The amount so drawn may be augmented till it occasions the ruin of those who pay it, and involve the whole community in distress and confusion." *

Again—

"It is argued by those who still retain the generally exploded opinions concerning money, that all the money raised in taxes, at least all that comes to the stockholder, is spent amongst those who pay it, and that, therefore, it is no loss to them. As well might a person forcibly enter a merchant's house and take away his money, and tell him he did him no injury; for the money, or part of it, would be employed in commodities he dealt in, upon which he would receive a profit." †

It is not inferred by this writer that the nation can secure itself against the possibilities of war; but he very correctly remarks, that

* Dr. Hamilton on the National Debt. Edit. 1813, pp. 32, 33.

† Ibid. p. 35.

"We have frequently engaged in war for trivial and unattainable objects * * * ,—that passion and national pride, rather than rational views of national interest, have been often the ruling principles of our public conduct; that, as we have engaged in war rashly, we have persevered in it with obstinacy, and rejected offers of pacification more favorable than those which we were afterwards under the necessity of accepting." *

Without deciding in favor of any particular views with regard to the influence produced upon a nation encumbered with a heavy weight of national debt, there can be but one opinion, that war is the principal cause of its origin and increase; and that there is no possible way of escaping its injurious consequences but by using every means which civilization and humanity afford to prevent it.

Modern financiers are still divided in opinion as to the most effectual mode of dealing with the expenses attending war. There are some who contend that taxation should be imposed to such an extent as to meet the entire expenditure during the year; while others consider it just that the taxation should be spread over a number of years, that posterity might bear a portion of the burden. Without entering into the abstract principles of justice on the question, it may be safely affirmed, that the taxation of this country has already reached an amount, beyond which it cannot be safely increased to carry on a protracted war; therefore the supplies necessary to meet such an emergency must be, in great part, drawn from the accumulated sources of capital which the country can command. The late war with Russia involved an expenditure of about £100,000,000 sterling for the three years ending March, 1857, or an average of £33,000,000 sterling per annum. What finance minister would have the hardihood to impose such an amount of taxation as would satisfy this demand within the year? Seeing, then, that war is the great cause of increasing the national burdens, and that a further increase of taxation cannot be effected without producing great national distress, every possible means should be adopted to avoid unnecessary war, not only for justice' sake, but for the general welfare of all classes of society.

The *Distribution* of the Public Debt may be viewed under two separate forms, namely, the annual payments, and the annual recipients. Under the first head the whole population shares in the amount necessary to discharge the annual interest; but

* Ibid. p. 37.

under the second head, only a portion of the population are interested. Some curious speculations are entered into by different writers, to shew the extent of the pressure of the Public Debt upon the entire population of the kingdom; but they are generally of too imperfect a character to afford any satisfactory conclusions. The mode of estimating the relative weight of the Debt has generally been by taking the whole amount, and dividing it amongst the entire population; but it may be easily shewn that this estimate has many objections, and one of them is, that a very large proportion of the whole population at any given period consists of children and paupers; and when it is considered, also, that all persons engaged in manufactures, or in commercial and industrial pursuits, include all costs of wages, &c., in such pursuits, the incidence of taxation falls comparatively upon a small portion of the population in the first instance, and is ultimately distributed amongst all the consumers of various productions. Mr. Macculloch, in his Statistics of the British Empire, has given the following proportions of the Public Debt to each head of the population at the several decennial periods, from the commencement of the present century to 1850:—

Periods ending	Principal of Debt. £	Rate per Head of Population. £	s.	d.
1810	561,567,449	37	7	10
1820	757,254,182	38	6	9
1830	780,413,611	34	10	7
1840	755,491,284	29	8	8
1850	770,420,747	28	6	5

Since the French war in 1815, the increased ratio of population has reduced the proportion per head, and, also, in consequence of the reduction of the capital of the Debt. In 1853, the total amount of the Funded and Unfunded Debt had reached its lowest point since that war, namely, to £770,923,001; but it has been again increased, in consequence of the Russian war, to £803,495,395, the highest amount since 1827. But these calculations, however interesting to the curious, convey no practical truth; nor do they afford any satisfactory proof of the actual distribution of the Public Debt over the whole population, or of its pressure upon the country. A variety of circumstances contribute to make taxation oppressive at different periods; such as embarrassed trade and commerce, depreciated prices of productions, dearness of corn, a panic in the Money-market, &c., &c.; and the only remedy for such a state of things is a general distribution of labour, a good supply of corn, and a Money-market undisturbed by continual fluctuations. Such are some of the features which are ever recurring to influence the condition of the people in relation to the payment of the heavy amount of taxation which the interest on the Public Debt involves.

Distribution of Dividends.

The following Statement shews the number of Persons entitled to receive the Dividends on the Public Debt of the United Kingdom, due at the usual Quarterly periods of each Year, from 1836 to 1856 inclusive.

Years.	£5 and under. When due.					£10 and more than £5. When due.					£50 and more than £10. When due.					Years.
	5th April	10th Oct.	5th July.	5th Jan.*	Total.	5th April	10th Oct.	5th July.	5th Jan.	Total.	5th April	10th Oct.	5th July.	5th Jan.	Total.	
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
1836....	27,728	28,122	58,113	59,501	173,464	14,338	14,350	30,405	30,892	89,991	32,629	32,550	65,072	66,115	196,366	1836
1837....	28,080	27,837	59,623	59,090	174,630	14,502	14,373	30,938	30,647	90,460	32,890	32,729	65,869	65,869	197,357	1837
1838....	27,170	25,726	58,881	58,478	170,255	14,379	13,878	30,362	30,471	89,090	32,342	32,564	65,556	65,565	196,027	1838
1839....	26,822	27,217	58,885	59,343	172,267	14,186	14,260	30,478	30,887	89,811	32,202	32,530	65,876	66,416	197,024	1839
1840....	26,976	26,445	59,408	59,707	172,556	14,295	14,314	30,758	31,417	90,784	32,280	32,305	66,368	67,068	198,021	1840
1841....	26,379	26,329	59,773	59,662	172,143	14,023	14,051	31,131	31,345	90,550	32,478	32,416	66,994	67,728	199,616	1841
1842....	26,926	26,530	59,502	59,107	172,065	14,310	14,109	31,704	30,815	90,998	32,216	31,838	66,386	66,324	196,764	1842
1843....	25,983	25,852	58,241	58,592	168,668	13,896	13,824	31,890	30,358	89,968	31,463	31,509	64,639	65,731	193,342	1843
1844....	25,488	25,041	57,925	34,229	142,683	13,731	13,631	29,747	15,865	72,974	31,206	30,937	65,158	37,599	104,900	1844
1845....	50,074	49,541	34,310	35,322	169,247	25,123	25,020	15,883	16,295	82,321	55,038	54,390	37,717	37,773	184,918	1845
1846....	49,836	50,008	35,841	36,227	171,912	25,451	24,978	16,331	16,616	83,376	53,833	53,829	38,174	38,398	184,234	1846
1847....	52,027	51,609	38,329	41,258	183,223	26,573	25,274	17,443	18,834	88,124	51,635	54,145	39,649	41,008	186,437	1847
1848....	53,985	53,970	42,430	41,999	192,384	25,814	25,908	19,123	18,908	89,753	54,500	54,527	41,525	41,319	191,871	1848
1849....	52,151	51,826	40,849	40,068	184,894	25,303	25,086	18,390	18,320	87,099	53,717	53,437	40,787	40,575	188,516	1849
1850....	49,873	49,361	39,628	39,929	178,791	24,396	24,048	18,139	18,063	84,646	52,016	51,784	40,392	40,553	184,745	1850
1851....	49,670	48,076	40,498	40,639	179,483	24,717	23,394	18,061	18,176	84,348	49,984	50,993	40,500	40,759	182,296	1851
1852....	47,883	44,737	39,872	39,054	171,546	22,878	21,883	17,688	17,458	79,907	50,706	49,387	39,978	39,643	179,714	1852
1853....	45,008	43,901	38,764	40,500	168,173	22,588	21,586	17,417	18,188	79,979	47,674	48,366	39,002	40,782	176,424	1853
1854....	44,426	44,637	41,818	41,404	172,285	21,811	21,921	18,788	18,504	81,024	48,327	48,253	41,635	41,267	179,482	1854
1855....	45,622	47,101	42,238	44,111	179,072	22,249	23,428	19,091	19,783	83,551	47,517	46,359	41,914	43,196	178,986	1855
1856....	47,566	47,074	44,912	45,629	185,181	23,404	23,000	19,963	20,124	86,491	46,216	45,999	43,581	44,088	179,884	1856

* The dividends due on the 5th of January belong to the last quarter of the preceding year.

DISTRIBUTION OF DIVIDENDS, *continued*—

Years.	£100 AND MORE THAN £50.					£200 AND MORE THAN £100.					£300 AND MORE THAN £200.					Years.
	WHEN DUE.					WHEN DUE.					WHEN DUE.					
	5th April	10th Oct.	5th July.	5th Jan.	Total.	5th April	10th Oct.	5th July.	5th Jan.	Total.	5th April	10th Oct.	5th July.	5th Jan.	Total.	
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
1836....	8,476	8,880	17,362	17,518	52,236	4,709	4,761	10,006	10,049	29,525	1,443	1,419	3,123	3,074	9,059	1836
1837....	8,536	8,526	17,556	17,457	52,075	4,789	4,790	9,978	9,988	29,545	1,421	1,403	3,123	3,180	9,127	1837
1838....	8,523	9,228	17,493	17,582	52,826	4,758	5,109	9,927	10,001	29,795	1,424	1,493	3,099	3,129	9,145	1838
1839....	8,610	8,564	17,530	17,641	52,345	4,751	4,759	10,006	10,057	29,573	1,404	1,392	3,101	3,131	9,028	1839
1840....	8,527	8,470	17,588	17,681	52,266	4,716	4,738	10,070	10,182	29,706	1,379	1,392	2,095	3,091	7,957	1840
1841....	8,776	8,725	17,685	17,879	53,065	4,880	4,844	10,094	10.053	29,871	1,479	1,482	3,068	3,061	9,090	1841
1842....	8,435	8,374	17,856	17,863	52,528	4,666	4,636	10,042	9,813	29,157	1,374	1,370	3,026	3,048	8,818	1842
1843....	8,302	8,200	17,385	17,561	51,448	4,593	4,577	9,803	9,927	28,900	1,357	1,374	2,982	2,995	8,708	1843
1844....	8,294	8,278	17,285	10,842	44,699	4,545	4,530	9,904	6,843	25,822	1,329	1,311	2,971	2,205	7,816	1844
1845....	13,431	13,371	11,030	10,929	48,761	7,045	7,014	6,953	6,836	27,848	1,952	1,937	2,244	2,215	10,348	1845
1846....	13,111	13,119	10,887	10,929	48,046	6,791	6,893	6,818	6,840	27,342	1,927	1,903	2,124	2,107	8,061	1846
1847....	12,683	13,087	11,089	11,353	48,212	6,543	6,889	6,926	6,958	27,316	1,873	1,917	2,122	2,122	8,034	1847
1848....	13,069	13,002	11,393	11,490	48,954	6,911	6,811	6,971	6,941	27,634	1,918	1,928	2,114	2,107	8,067	1848
1849....	12,895	12,800	11,310	11,443	48,448	6,740	6,735	6,970	6,743	27,188	1,933	1,864	2,059	2,061	7,917	1849
1850....	12,586	12,574	11,179	11,201	47,540	6,763	6,708	6,899	6,863	27,233	1,873	1,849	2,085	2,052	7,859	1850
1851....	12,254	12,442	11,319	11,260	47,275	6,601	6,658	6,916	7,030	27,205	1,812	1,834	2,036	2,034	7,716	1851
1852....	12,370	12,733	11,191	11,109	47,409	6,524	6,715	6,887	6,802	26,928	1,807	1,826	2,046	2,047	7,726	1852
1853....	11,959	12,283	11,186	11,297	46,725	6,422	6,525	6,739	6,817	26,503	1,784	1,804	2,035	2,063	7,686	1853
1854....	12,231	12,107	11,557	11,563	47,458	6,451	6,455	6,880	6,846	26,632	1,765	1,740	2,079	2,030	7,614	1854
1855....	11,636	11,367	11,696	11,995	46,694	6,132	5,912	6,938	7,049	26,031	1,652	1,599	2,063	2,076	7,390	1855
1856....	11,280	11,232	11.955	12,129	46,596	5,916	5,895	7,179	7,234	26,224	1,600	1,615	2,082	2,103	7,400	1856

DISTRIBUTION OF DIVIDENDS, *continued*—

Years.	£500 AND MORE THAN £300. When due.					£1,000 AND MORE THAN £500. When due.					£2,000 AND MORE THAN £1,000. When due.					Years.
	5th April	10th Oct.	5th July.	5th Jan.	Total.	5th April	10th Oct.	5th July.	5th Jan.	Total.	5th April	10th Oct.	5th July,	5th Jan.	Total.	
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
1836....	831	830	1,922	1,932	5,515	422	420	930	939	2,711	113	131	265	271	780	1836
1837....	853	870	1,937	1,882	5,592	418	433	944	930	2,731	133	126	266	249	774	1837
1838....	842	969	1,935	1,973	5,717	428	494	940	922	2,761	137	146	264	257	804	1838
1839....	824	826	1,975	1,933	5,558	414	416	904	921	2,655	125	135	250	249	759	1839
1840....	836	823	1,965	1,981	5,605	425	420	904	885	2,634	130	123	253	256	762	1840
1841....	898	879	1,967	1,969	5,713	425	426	887	903	2,641	144	142	253	245	784	1841
1842....	822	810	1,956	1,934	5,522	410	404	909	902	2,625	121	128	263	258	770	1842
1843....	822	790	1,902	1,933	5,447	389	384	890	897	2,560	125	128	239	239	731	1843
1844....	796	797	1,945	1,439	4,977	374	371	887	678	2,310	130	129	240	178	677	1844
1845....	1,256	1,242	1,517	1,432	5,447	526	533	719	672	2,450	167	168	181	173	689	1845
1846....	1,208	1,225	1,485	1,471	5,389	517	529	685	687	2,418	160	164	176	178	678	1846
1847....	1,175	1,203	1,452	1,461	5,291	503	520	696	689	2,408	163	163	174	170	670	1847
1848....	1,189	1,182	1,458	1,447	5,276	540	534	682	677	2,433	155	151	173	182	661	1848
1849....	1,173	1,163	1,445	1,425	5,206	524	506	675	679	2,384	163	155	180	193	691	1849
1850....	1,190	1,182	1,395	1,399	5,166	512	530	659	669	2,370	160	169	184	198	711	1850
1851....	1,161	1,150	1,433	1,443	5,187	500	509	650	633	2,292	168	178	192	183	721	1851
1852....	1,152	1,262	1,391	1,358	5,163	521	559	639	643	2,362	171	204	192	184	751	1852
1853....	1,153	1,160	1,346	1,344	5,003	491	527	643	641	2,302	175	194	193	172	734	1853
1854....	1,167	1,168	1,349	1,399	5,083	546	548	626	626	2,346	183	182	170	172	707	1854
1855....	1,871	1,042	1,404	1,437	5,754	508	478	641	644	2,271	160	150	168	187	665	1855
1856....	1,065	1,006	1,465	1,445	4,981	465	468	674	684	2,291	159	156	203	192	710	1856

Distribution of Dividends, *continued*—

Years.	Exceeding £2,000. When due.					Total. When due.					Years.
	5th April	10th Oct.	5th July.	5th Jan.	Total.	5th April.	10th Oct.	5th July.	5th Jan.	Total.	
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
1836....	73	68	120	108	369	90,762	91,531	187,318	190,405	560,016	1836
1837....	66	71	111	116	364	91,688	91,158	190,445	189,408	562,699	1837
1838....	73	78	116	120	387	90,076	89,683	188,573	188,498	556,830	1838
1839....	74	71	119	121	385	89,472	90,170	189,124	190,699	559,465	1839
1840....	74	72	129	122	397	89,638	89,602	190,538	192,390	562,168	1840
1841....	78	85	128	125	416	89,560	89,379	191,980	192,970	563,889	1841
1842....	76	79	127	132	414	89,356	88,278	191,831	190,196	559,661	1842
1843....	82	80	127	130	419	87,012	86,718	188,105	188,363	550,198	1843
1844....	86	90	119	100	395	85,979	85,115	186,181	109,978	467,253	1844
1845....	102	108	107	87	404	154,714	153,326	110,661	111,734	530,435	1845
1840....	102	92	86	79	359	152,936	152,740	112,607	113,532	531,815	1846
1847....	95	97	80	82	354	153,270	154,904	117,960	123,935	550,069	1847
1848....	97	99	80	82	358	158,178	158,112	125,949	125,152	567,391	1848
1849....	109	103	94	89	395	154,708	153,675	122,759	121,596	552,728	1849
1850....	115	108	100	98	421	149,484	148,313	120,660	121,025	539,482	1850
1851....	102	109	92	91	394	146,969	145,943	121,757	122,248	536,917	1851
1852....	102	126	99	103	430	144,170	139,432	119,983	118,401	521,986	1852
1853....	105	101	96	92	394	137,359	130,447	118,021	121,896	513,723	1853
1854....	116	112	88	89	405	137,023	137,123	124,990	123,900	523,036	1854
1855....	102	105	94	104	405	136,649	137,541	126,247	130,582	531,019	1855
1856....	106	105	116	121	448	137,779	136,550	132,130	133,749	540,208	1856

The information to be drawn from the preceding tables is necessarily incomplete, as far as the actual sums distributed amongst the holders of public securities; nevertheless, they are so far useful in a social point of view, as to shew the aggregate number of persons interested in the receipt of the public dividends; and if such a statement were accompanied by other facts connected with the subject, a considerable light would be thrown upon the distribution of this annual fund, transferred every year from one part of the community to another. It must not be forgotten that there is this difference between the recipients of this annual amount and those who contribute towards its payment; for while the former comprise individuals of almost every foreign country, the latter are principally the inhabitants of the United Kingdom; and we believe the history of the world affords no similar example of such a mass of debt being borne by so small a number of inhabitants. The secret of this power undoubtedly rests entirely in the never-failing industry of the labouring and middle classes; or, in other words, the producers and distributors of the national wealth. The distribution of this debt, however, in no way affects the capital, nor does the number of recipients in any way interfere with the amount to be paid annually. In 1856 it was divided amongst 540,208 persons, out of a population of about 28,000,000,* or about one fifty-first part of the total; and as the total annual charge is about £28,000,000 sterling, the debt and population are nearly equal.†

It would be an interesting fact to know precisely the sums distributed amongst each class in the receipt of this amount; but this information cannot be obtained by any calculations founded on the above statement; the only definite results that can be obtained are the fluctuations in the total number of recipients in each class during a given period. Taking the extreme years 1836 and 1856, the numbers have fluctuated as follows:—

* The total population of the United Kingdom, by the census of 1851, comprised 27,674,353 persons.

† The returns of the total number of persons entitled to receive the public dividends are made up from the dividend warrants, which include corporate bodies, bankers, and persons in trust for others.

Class of Dividends.	Lowest.	Years.	Highest.	Years.
£5 and under	142,683	1844	192,384	1848
10 and exceeding £5 ..	72,974	1844	90,998	1842
50 and exceeding £10..	164,900	1844	199,616	1841
100 and exceeding £50..	44,699	1844	53,065	1841
200 and exceeding £100	25,822	1844	29,871	1841
300 and exceeding £200	7,390	1855	10,348	1845
500 and exceeding £300	4,977	1844	5,754	1845
1000 and exceeding £500	2,310	1844	2,731	1837
2000 and exceeding £1000	661	1848	804	1838
Exceeding....£2000	354	1847	448	1856
Total number of all classes	467,253	1844	567,391	1848

The most remarkable fluctuations which occurred in the above period were in 1844, owing principally to the conversion of the New Three-and-a-half per cents. into Three-and-a-quarter per cents. By glancing through the foregoing tables, it will be seen that the decrease in the number entitled to dividends of all classes was very considerable, excepting those in the receipt of the larger amounts. There is also a variety of other causes in operation, at different periods, to influence the distribution of the public dividends. For instance, in 1847 and 1848, when Europe was broken up by revolutions, and the trade and commerce of the United Kingdom paralysed by a commercial and monetary panic, there was a considerable increase of persons investing in the public stocks. The number of persons entitled to dividends in each class in 1836 and 1856 was as under:—

Class of Dividends.	No. in 1836.	No. in 1856.	Increase or Decrease.
£5 and under	173,464	185,181	+11,717
10 and exceeding £5	89,991	86,491	— 3,500
50 and exceeding £10	196,366	179,884	—16,482
100 and exceeding £50	52,236	46,596	— 5,640
200 and exceeding £100	29,525	26,224	— 3,301
300 and exceeding £200	9,059	7,400	— 1,659
500 and exceeding £300	5,515	4,981	— 534
1000 and exceeding £500	2,711	2,291	— 420
2000 and exceeding £1000 ..	780	710	— 70
Exceeding .. £2000 ..	369	448	+ 79
Total number of all classes ..	560,016	540,208	—19,808

It is here shewn that only by the class in the receipt of the *smallest* dividend, and that in the receipt of the *excess* of £2,000, is there any increase in comparing the two periods. Doubtless the numbers may be affected by various causes, but the natural tendency, during the last 20 years, has been to a diminution, except the two classes mentioned. The reader can draw his own inferences from the above facts.

The South Sea Company.

Although under Mr. Gladstone's commutation scheme in 1853, the South Sea Company, as a Government department, was virtually defunct, it may be desirable to give a brief sketch of the origin of an institution which has occupied so prominent a position in the financial schemes of a by-gone age. This Company originated in 1711; and was favoured by the Earl of Oxford, who was at that time chosen Prime Minister. And as the war carried on with France and Spain had left a large arrear of Government bills and debentures unprovided for, the new Minister was anxious to allay the uneasiness which had excited the public mind, and had occasioned a run upon the Bank of England; he thought if attention could be directed to some favourable financial scheme, there would be less opposition to his political measures; an act was therefore passed the same year, intituled an Act

"For making good Deficiencies and satisfying the public Debts; and for creating a Corporation to carry on a trade to the South Seas; and for the encouragement of the fishery; and for liberty to trade in unwrought iron with the subjects of Spain; and to repeal the acts for registering of seamen."

The Debts and Deficiencies at this time unprovided for consisted of the Navy Debt, the Ordnance, Transport Debt, Army Debentures, deficient Tallies, Orders on Coals, &c., the total of which amounted to £9,471,325, and the interest, at 6 per cent., to £568,279 10*s*. The sum of £8,000 per annum was granted for management under the 1st clause, and in the same clause there was a special condition to protect the Bank of England, as follows:—

"And for the better securing the privileges of the Bank of England, this Company shall not borrow money on their notes, bills, or notes on demand, nor at any less time than *six months; neither shall they discount bills of exchange, nor any other bills or notes whatsoever;* nor shall keep any *books* or *cash* for any persons or corporations, *excepting their own alone.*"

Thus, it may be seen, that the Bank of England was most jealously protected in its monopoly and privileges in the earliest period of its existence.

The Company had conferred on it very large trading powers, and was vested for ever in the sole trade and traffic unto and from all kingdoms, lands, islands, cities, towns, ports, creeks, and places in America on the East and West, from Terra del Fuego to the most northern parts; and the Company were also to be the sole owners and proprietors of all islands, ports, towns, and places they might discover; and to hold the same in free and common socage by fealty of the Crown, by paying the annual rent of an *ounce of gold*, if demanded.*

The charter was dated the 8th September, 1711, and in July, 1712, Bonds were issued amounting to £200,000; and the Company, flushed with hopes of success, issued in the following year £200,000 more.

In 1715 an act was passed to increase the Company's capital to £10,000,000, by adding over-due interest and the charge for management to December, 1715, thereby increasing the annual income at 6 per cent. to £600,000.

In 1715, the first ship of the Company was launched, named the *Royal Prince*, in honour of the Prince of Wales, afterwards George II., and sailed on its first voyage in 1717, for Vera Cruz. In 1719 the capital was further increased by the lotteries of 1710, which were converted into a redeemable fund at 5 per cent. interest; these annuities amounted to £135,000 per annum for 23¾ years from Christmas, 1718. The holders of these annuities were offered 12¾ years' purchase in South Sea stock; but the lottery proprietors only subscribed to the amount of £94,329 12*s.*, which, at 12¾ years' purchase, was equal to a capital of stock of £1,202,702 8*s.*; in addition to which, the Company agreed to advance to the Government £544,142 0*s.* 10*d.*, making the capital added by this scheme £1,746,844 8*s.* 10*d.*, and the total at Christmas, 1718, £11,746,844 8*s.* 10*d.* By this act the whole capital was made redeemable on one year's notice after Midsummer, 1723.

It was about this time that the nation began to grow intoxicated with financial speculations; and as France was about the

* Anderson's History of Commerce, vol. ii. p. 255.

same period engaged in carrying out the Mississippi scheme of John Law, the two nations were tossed to and fro in a whirlpool of gambling. The South Sea Company, in July, 1719, opened a subscription for the sale of £520,000 of the stock just added to their capital, which realized 114 per cent., making a profit of £72,800.

We now come to the memorable year 1720;

"A year," says Anderson in his History of Commerce, "remarkable beyond any other which can be pitched upon by historians, for extraordinary and romantic projects, proposals, and undertakings, both private and national; as well respecting commercial concerns as the great internal interests of two of the most potent kingdoms in Europe! and which, therefore, ought to be had in perpetual remembrance, not only as being what never had its parallel, nor, it is to be hoped, ever will hereafter; but likewise as it may serve for a perpetual *memento* to the legislators and ministers of our own nation, never to leave it in the power of any hereafter to hoodwink mankind into so shameful and baneful an imposition on the credulity of the people, thereby diverted from their lawful industry!" *

The subscription to a part of the capital stock of the Company having been so successful, the Government became anxious to redeem the whole of the annuities created during King William's reign, and gave every encouragement to the Company to carry out their wishes. In January, 1720, the Company proposed to give to the public £3,500,000 for taking all the annuities and redeemable debts at the Exchequer and the Bank of England. This gave rise to a fierce competition between these two Companies, and the Bank at once offered £5,000,000. The South Sea Company then made a second offer of £7,567,500, and to pay one year's purchase of all the long irredeemable annuities that should not be brought into their capital. The Bank, to outdo their opponents, made a second offer to give £1,700 of Bank stock for £100 of irredeemable long annuity. But the South Sea Company even went further, and proposed the incorporation of the funds of the Bank of England, the East India Company, and the Exchequer, into their own capital. The report of this scheme contributed to raise their stock to 126 at the shutting of their books at Christmas, 1719. Their proposal being accepted by Parliament, the price advanced during the progress of the bill to 319 per cent.!

* Anderson's History of Commerce, vol. ii. p. 284.

On the 14th of April, 1720, the Company opened their first money subscription for the sale of £2,000,000 of stock at 300 per cent., the market price that day being 325 per cent.; but such was the demand for it by persons of rank, that the subscription was increased to £2,250,000, and the price advanced to 340 per cent.!

In the Midsummer half-year a dividend of 10 per cent. in stock was voted, which fanned the flame still higher; and on the 30th of April, a second money subscription was opened for £1,500,000 at 400 per cent.! In the month of June, a third money subscription was opened for £5,000,000 stock, at 1000 per cent., to be made in ten different payments of £100 each; and in a few days after the first payment was made, £100 rose to be worth £400! To feed this appetite for speculation, the Company lent out in one day three out of the five millions of the first payment; and shortly after the Midsummer shutting, the price of South Sea stock was upwards of 1000 per cent., including the 10 per cent. dividend. This extraordinary rage for speculation spread itself through all classes, and to other securities; India stock rose to 445 per cent., and Bank stock to 260; and so great was the general rise, that Anderson says, the rise in all descriptions, great and small, was computed at £500,000,000 sterling, or about double the value of the fee-simple of all the real property of the nation, taking it at 16 years' purchase, or £224,000,000 sterling, or about five times greater than all the current cash in Europe at that time. Bubbles of every imaginary description were set on foot in Exchange-Alley, and deposits as low as *one shilling* per £1000 were taken at the time of subscribing, and persons of quality of both sexes crowded thither daily to engage in them. Any impudent impostor had only to invent some scheme, however impracticable, hire a room at a coffee-house in, or near, Exchange-Alley, and open a subscription list; and many who were successful in the morning were not to be found in the afternoon. No station of life was sufficient to stand against the delusion; for while gentlemen frequented taverns and coffee-houses, ladies frequented their milliners and haberdashers for the same purpose. Many persons imagine that the speculating mania of the present age is a novel thing in this country, but that is a mistake; no speculation of modern times can excel that of the reign of the first

of the Georges. Anderson has given a list of these bubbles, embracing every scheme that ingenuity could invent.

In order to put an end to this state of things, the South Sea Company obtained from the Government a *scire facias* against several other companies, thinking it would secure to itself many advantages; this proved to be a great mistake, for it only increased its own difficulties. The act provided, that on and after the 24th of June, 1720, all such undertakings should be for ever deemed illegal and void, and to be deemed public nuisances, liable to fines and punishments as the law directs; and persons acting as brokers for others or themselves, either in buying or selling, should forfeit £500, and be henceforth incapable of acting as such; but all companies projected and settled before Midsummer, 1718, were exempt from the penalty of this law.

The South Sea Company's stock in August, 1720, was at 850 per cent., including the Midsummer dividend, when a fourth subscription was opened for £1,250,000 stock at 1,000 per cent., £200, or 20 per cent. to be paid down, and the remainder in four equal half-yearly payments of £200, and afterwards altered to eight payments of £100 each. This subscription was completed in three hours, and the shares were at a premium of 40 per cent. the same evening; but this was only temporary. The court of directors then gave out, that a dividend of 30 per cent. in money would be paid on their stock at Christmas following, and for the next *twelve years* it would not be less than 50 per cent.! The delusion, however, was not long in being dispelled; for in September following, the stock of the Company had fallen to 175 per cent., and their bonds to 25 per cent. discount; and the consequence was, a run upon the Bank of England, and all the other banks for cash, which caused many of them to stop payment for a time. Great numbers in all professions were reduced from splendour to abject want, and died heart-broken; while others left the country, never to return. The stock of the Company was as follows at Christmas, 1720:—

		£	s.	d.
1.	Old Capital Stock before Midsummer, 1820	11,746,844	8	10
2.	Stock of irredeemable Debts subscribed	12,069,349	2	6
3.	Stock of redeemable Debts subscribed.....	13,986,690	2	8
	Total.....	£37,802,883	14	0

The conduct and management of this scheme drew down on the heads of the projectors the vengeance of the law; and in 1721 an act was passed to restrain the sub and deputy directors, treasurers, and accountant from leaving the kingdom, and for discovering their estates. Another act was passed for disabling them from holding a similar office; and a third, to raise money on their estates to make good the losses by mismanagement.

The debt of the Company was gradually reduced from the above amount, by redemption and conversion, until it amounted to £3,662,784 8*s.* 6½*d.* The annuities paid off under Mr. Gladstone's scheme have been already stated at p. 13. The Company has no longer any existence in connexion with the Government, and all business connected with any of these annuities has been transferred to the Bank of England.

The following is a statement of the Company's affairs as they stood on the 5th of July, 1855:—

AN ACCOUNT OF THE CLEAR REVENUE AND PROFITS OF THE SOUTH SEA COMPANY FOR THE HALF YEAR ENDING 5TH JULY, 1855.

Income.	£	s.	d.
Interest on Exchequer Bonds this half year	3,562	12	1
Ditto on Exchequer Bills ditto	17,316	2	2
Ditto on East India Bonds ditto	1,126	7	1
Ditto received and due on Loans ditto	6,194	18	5
Profit on sale of East India Bonds	538	10	0
Ditto on sale of Exchequer Bonds	185	11	11
Ditto on sale of Exchequer Bills	670	8	0
One quarter's rent of Offices	376	7	6
Discounts on pre-payment of South Sea Stock	160	2	6
Interest on purchase-money of premises	584	18	2
Profit on transfers this half year	13	17	6
	30,729	15	4
To balance brought down	28,106	6	4

Outgoings.	£	s.	d.			
Directors' allowances, half a year	750	0	0			
Clerks' salaries, ditto	1,015	0	0			
Pensions, ditto	143	6	8			
House expenses, ditto	153	18	6			
Contingent charges, ditto	88	9	2			
Stationery ware, ditto	24	12	0			
				2,175	6	4
Income Tax				448	2	8
Balance carried infra				28,106	6	4
				30,729	15	4
By dividend on £1,864,735 11*s.* 1*d.* South Sea Stock, at 1½ per cent.				27,971	0	7
Remains				135	5	9
				£28,106	6	4

STATE OF THE SOUTH SEA COMPANY'S AFFAIRS FOR THE HALF YEAR ENDING 5TH JULY, 1855.

		£	s.	d.
Amount of the Company's bond debt		4,500	0	0
Interest computed to be due thereon		562	2	6
Dividend on £1,864,735 11*s.* 1*d.* South Sea Stock, at 1½ per cent.		27,971	0	7
Arrears of dividends		21,752	9	0
Balance of Income-tax due		448	2	8
Estimated cost of annuities to officers and clerks		24,759	2	0
Directors' allowances, salaries, and some other charges now unpaid		2,169	4	4
		82,162	1	1
Balance of this account		4,333,771	4	10
Balance brought down	£4,333,771 4 10			
Deduct for the South Sea Stock held by the Company	2,097,723 13 7			
	£2,236,047 11 3			
The surplus, being the present value of the assets to be realised and divided among the proprietors of £1,864,735 11*s.* 1*d.* South Sea Stock, amounting to £119 18*s.* per cent.		4,415,933	5	11
Balance of the Company's cash		1,450,417	10	4
Exchequer Bills, at par		205,900	0	0
Exchequer Bonds, at par		27,800	0	0
South Sea Stock, £1,798,048 17*s.* 5*d.*, at £116 13*s.* 4*d.* per cent.		2,097,723	13	7
Sums of money advanced on loan		497,044	0	0
South Sea Stock payment at 115 per cent.		82,496	3	10
Interest now unpaid on loans		2,157	4	3
Ditto on £205,900 Exchequer Bills at 2*d.* to July 5		394	12	0
Ditto on £27,800 Exchequer Bonds to July 5		154	6	0
Due on purchase of the Company's premises		51,075	0	0
Interest on ditto to the 24th inst.		584	18	2
Transfer stamps		15	17	9
Cash and stamps in the Secretary's hands		170	0	0
		£4,415,933	5	11

CHAPTER II.

THE PUBLIC REVENUE AND EXPENDITURE.

ALTHOUGH the Public Debt of the United Kingdom reached the enormous sum of about £865,000,000 in the course of 129 years, the progress of the Public Revenue has been equally remarkable when contrasted with what it was in 1688, the period whence this debt dates its origin. It would serve no useful purpose to enter into all the details of the Revenue and Expenditure at remote periods of their history, or when a great portion of the contributions to the State were discharged either by personal services, or in various descriptions of productions collected by the purveyors, &c., of the Crown, except so far as to illustrate the remarkable changes which have taken place in little more than 160 years in the financial and social position of the country. As native manufactures had scarcely any existence for several centuries after the Norman conquest, the principal source of revenue during that period was the land; but from time immemorial Monarchs have claimed subsidies as a right in order to maintain their respective Governments under extraordinary circumstances, such money being given *in subsidium regis*, and commonly termed an aid to the King.

For some time after the Norman conquest, a considerable proportion of the lands in England was subject to Knight-service (*servitium militare*), from which large revenues were derived. This service was a certain kind of tenure of land held from the King, which entitled him to the homage of the tenant and his services in time of war, such as escuage, wardships, &c. The revenue derived from making the eldest son a knight, and on marrying the eldest daughter, was very considerable. A knight's-fee held upon this service was a certain quantity of land sufficient to maintain him in the performance of his duties, and varied at different periods. In the reign of King Henry the Third it was valued at £15 per annum. Sir Edward Coke, in his

"Second Institute," states the quantity of land for a knight's-fee to have been 480 acres; and Stow, in his "Annals," says that in the time of William the Conqueror there were 62,215 knight's-fees.

All lands not held on *Knight-service* were held on *socage*, from the old French word *soca*, a plough. These tenants held their farms to plough the lands of their lord and perform other services of an inferior nature; but under this tenure a very large proportion of the lands in England was cultivated; subsequently there was a mutual agreement to convert these services into an annual money payment, analogous to a farmer's rent in the present day. The tenure of lands thus redeemed from personal services was termed *liberum socagium*, or free socage, and the other *villanum socagium*, which was considered a servile tenure. Those who held under free socage, were bound to pay on the death of the ancestor double rent as a relief from all services, and from wardship, &c.

In addition to the revenues raised from land tenures were some from other sources of an inferior kind, such as strays, waifs, treasure-trove, wrecks, amercements, tolls, forfeitures, escheats, &c., and various fines for offences, franchises, and law proceedings. But as far back as Edward the Third's reign the King was entitled to the *fifteenth* of the value of all the cities, boroughs, and towns of England. In 1641 monthly assessments were first made on land, and in 1691 the poundage rate of 4*s*. on land was introduced.

The ancient tenure of land was abolished by the 12th Car. II., cap. 24, in 1661, and the *Hereditary Excise* became a permanent portion of the Public Revenue in its stead. What was known as the *Temporary Excise* was granted at first only during the life of the King; but it was afterwards made permanent by law. The *Hereditary Excise* was granted in order to compensate for the loss of income derived from Knight-service, Purveyance, and the Court of Wards, &c. Both the Excises yielded at that time about £666,383 net per annum, according to Dr. Davenant.

The origin of this branch of the revenue, which now produces about £18,000,000 per annum, is somewhat remarkable. On the 30th of January, 1628, King Charles gave directions for a Commission to 23 Lords, of whom Archbishop Laud was one,

to raise money throughout the country by the imposition of an Excise tax, and at the same time ordered £30,000 to be paid to one Philip Burlemac, a Dutch merchant in London, to be remitted to the Low Countries for the purpose of raising a troop of 1,000 German horse to be in readiness to enforce the payment of the new tax. This happened at the time when the Council of the State had under its consideration a plan for levying ship-money upon the Counties. * The appointment of this Commission for imposing an Excise duty gave such offence, that, in a Conference between Sir Edward Coke and the Lords, the former says—

"That which I am to demand of your Lordships is,—1. That as we, upon consideration of this Commission, found it *ex-diametro* against the late judgment in the Petition of Right, and condemned it, so your Lordships would concur with us as hitherto ye have done. 2. That this Commission, as a thing against law, may be cancelled. 3. That if it be enrolled, a vote may be made of it; and if not, that order be taken that it be not enrolled. 4. That the warrant may be damned and destroyed. 5. That it would please your Lordships, in your wisdom, to take into consideration who is the projector of the device, and if he *could be found out, that some exemplary punishment may be, according to justice, inflicted on him.*"

Such was the reception with which the first Commission to impose an Excise tax was received by the House of Commons, and so great was the clamour against it, that the King was compelled to abandon it; but stated that "it was no more than a warrant of advice, agreeable to the time, and the manifold occasions then in hand; but now having a supply from the *loves of his people*, he esteems the Commission useless." But while that portion of Revenue which King Charles levied in the shape of ship-money, and brought down upon himself the universal execrations of the

* In a note of the *Acta Regia*, p. 654, the following names are given on this first Commission:—

Sir Thomas Coventry, Knt., Lord Keeper.
Earl of Malburg, Lord High Treasurer.
Earl of Manchester, Lord President of the Council.
Earl of Worcester, Lord Privy Seal.
Duke of Buckingham, Lord High Admiral.
Earl of Pembroke, Lord Steward of the Household.
Earl of Montgomery, Lord Chamberlain.

Earl of Suffolk; Earl of Salisbury; Earl of Exeter; Earl of Dorset; Earl of Bridgewater; Earl of Carlisle; Earl of Holland; Earl of Denbigh; Earl of Totness; Sir George Hay, Lord Chancellor of Scotland; Earl of Moreton; Earl of Kelley; Earl of Mellers; Viscount Conway, Secretary of State; Viscount Wimbledon; Viscount Grandison, Lord Deputy of Ireland; the Bishops of Winchester, Bath, and Wells; Lord Brook; Lord Carleton, Vice-Chamberlain of the Household; Sir Robert Nanton, Master of the Court of Wards; Sir John Cook, Secretary of State; Sir Richard Weston, Chancellor and Under Treasurer to the Exchequer; Julius Cæsar, Master of the Rolls; and Sir Humphrey May, Knt., Chancellor of the Duchy of Lancaster.

people, had only a temporary existence, the Excise, with all its grievances, has been perpetuated to this day.

The *Customs* Revenue has been said to be a part of the rights of the Crown at common law; but this is very questionable. From time immemorial certain duties have been levied upon foreign merchants, called *custuma parva*, and first imposed in the reign of Edward the First in 1304; when they agreed to pay to the King and his heirs 3*d.* in the pound for all merchandize exported and imported by them. This charter is a very curious document, and is another striking illustration of the marvellous progress of British commerce since those days. Most of the markets for such goods were held in cities, boroughs, and towns. The charter is addressed to the "Merchant-strangers" of Germany, Spain, Portugal, Navarre, Lombardy, Tuscany, Provence, Catalonia, Tolouse, Aquitain, Turin, Flanders, Brabant, "and all other lands and foreign places, coming into our kingdom of England, and there remaining."

The origin of the present *Customs* was undoubtedly the subsidy of *tonnage and poundage;* an ancient impost upon merchants' goods imported and exported, usually granted to the King to guard them on the high seas, and protect their trade. King Charles I., mistaking this for an hereditary right, received a powerful remonstrance from the House of Commons, in which were the following remarks:—

"That there ought not any imposition to be laid on the goods of merchants, exported or imported, *without common consent by Act of Parliament*, which is the right and inheritance of your subjects; founded, not only upon the most ancient and original constitution of this kingdom, but often confirmed and declared in divers statute laws." *

The Revenue derived from this source the first year of the Revolution in 1688, was, according to Davenant, about £600,000, free of deductions. In the year ended March 31st, 1857, the gross amount of Customs Revenue was £23,618,374.

The Revenue and Expenditure about the time of the Revolution was as under, viz., from Michaelmas, 1691, to Michaelmas, 1692:—

* *Acta Regia*, p. 663.

Revenue.		Expenditure.	
Customs	£897,551	Sea Service ..	£1,239,289
Excise	1,213,510	Land Service ..	1,900,002
Hearth-money .	133,039	Ordnance	254,412
Land-tax.....	1,610,613	Civil List	631,994
Poll-tax	256,323	Miscellaneous..	228,990
Miscellaneous..	50		
Total..	£4,111,086	Total..	£4,254,687
		Deficiency..	£143,601

The above deficiency was made up by loans, which were contracted during this reign in almost every possible shape.

In the earlier reigns of British sovereigns the debts and claims of the Crown were collected by farming them, similar to the practice of farming tolls in the present day, and continued until the time of the Commonwealth; and we find from historical records that the Customs Revenues were collected in the same manner, the persons thus employed being called "fermers," from the Saxon word "feormian," or payers of "meat" or "victuals;" a class of men who held lands under the Lord or Thane, and discharged their obligations as tenants in certain kinds of provisions. T. Smith, Secretary of State to Queen Elizabeth in 1590, farmed the English Customs for £14,000, and afterwards for £42,000 per annum.

Those who are desirous of tracing the progress of the Customs should consult the First Report of Her Majesty's Commissioners of Customs presented to Parliament in the early part of the present year, in which the subject has been treated historically as well as practically.

The Customs Revenue of the United Kingdom has varied considerably under a variety of circumstances during the present century. The following statement shews the gross amount at each decennial period:—

1810	£16,886,655
1820	14,100,521
1830	21,084,525
1840	23,657,943
1850	22,194,142

The following statement shews the total ordinary Revenue received from all sources, and the Expenditure for the year ended 31st December, 1857:*—

* *Par. P.* No. 1, Session 1st, 1857.

As this statement includes a heavy war expenditure, it cannot be regarded as the normal condition of the budget; the total net ordinary revenue before the war being about £54,000,000.

AN ACCOUNT OF THE GROSS PUBLIC INCOME OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND,

In the Year ended the 31st of December, 1856, and of the Actual Issues or Payments within the same Period, exclusive of the Sums applied to the Redemption of Funded or paying off Unfunded Debt, and of the Advances and Repayments for Local Works, &c.

INCOME.	TOTAL. £	s.	d.
Customs	23,618,374	18	3
Excise	18,073,777	13	2
Stamps	7,268,271	18	4
Taxes (Land and Assessed)	3,105,026	0	11
Property-Tax	16,028,421	10	2
Post-Office	2,869,152	5	10
Crown Lands (net)	284,857	1	6
Produce of the Sale of Old Stores, and other extra Receipts	510,154	13	5
Money received from the East India Company	60,000	0	0
Miscellaneous Receipts, including Imprest and other Moneys	318,006	6	6
Unclaimed Dividends received	82,945	13	10
	72,218,988	1	11
Excess of Expenditure over Income in the Year ended 31st December, 1856	10,104,412	13	0
	82,323,400	14	11

EXPENDITURE.	£	s.	d.	£	s.	d.
Interest and Management of the Permanent Debt	23,524,477	12	5			
Unclaimed Dividends paid	89,021	15	5			
Terminable Annuities	3,979,690	15	11			
Interest of Exchequer Bonds, 1854 and 1855	245,000	0	0			
Interest of Exchequer Bills, Supply	794,112	1	1			
Ditto Deficiency	24,291	11	3			
				28,656,593	16	1
Charges on Consolidated Fund:						
Civil List	400,937	10	0			
Annuities and Pensions	336,315	13	8			
Salaries and Allowances	159,945	9	3			
Diplomatic Salaries and Pensions	130,605	15	3			
Courts of Justice	508,353	4	4			
Miscellaneous Charges on the Consolidated Fund	184,321	4	10			
				1,740,478	17	4
Supply Services:						
Army, including Ordnance	24,749,824	19	8			
Navy	16,013,995	1	5			
Vote of Credit (additional Expenses, War with Russia)	300,000	0	0			
Miscellaneous Civil Services	6,652,143	3	8			
Salaries, &c., of Revenue Departments	4,210,364	16	9			
				51,926,328	1	6
			£	82,323,400	14	11

The following Table shews the net ordinary Revenue paid into and the Balances in the Exchequer, at the end of each year, Minister and Chancellor of the Exchequer during the same

Years.	Net Revenue.	Expenditure.	Surplus.	Deficiency.
	£	£	£	£
1820	48,732,354	48,438,396	293,958	....
1821	50,926,468	50,259,032	667,436	....
1822	54,135,743	49,391,225	4,744,518	....
1823	52,755,564	48,454,817	4,300,747	....
1824	54,416,230	50,528,058	3,888,172	....
1825	52,347,674	49,298,518	3,049,156	....
1826	50,241,408	50,887,328	....	645,920
1827	50,241,658	51,068,333	....	826,675
1828	52,104,643	48,857,649	3,246,994	....
1829	50,786,682	49,075,132	1,711,550	....
1830	50,056,615	47,142,943	2,913,672	....
1831	46,424,440	47,123,298	....	698,858
1832	46,988,755	46,373,996	614,759	....
1833	46,271,326	44,758,243	1,513,083	....
1834	46,509,856	44,901,701	1,608,155	....
1835	46,043,663	44,442,722	1,620,941	....
1836	48,702,654	46,572,562	2,130,092	....
1837	46,475,194	47,130,954	....	655,760
1838	47,333,460	47,678,687	....	345,227
1839	47,844,898	49,357,691	....	1,512,793
1840	49,567,565	49,161,536	....	1,593,971
1841	48,084,359	50,185,729	....	2,101,370
1842	49,965,630	50,945,169	....	3,979,539
1843	52,582,817	51,139,513	1,443,304	....
1844	54,003,753	50,647,648	3,356,105	....
1845	53,060,354	49,242,712	3,817,642	....
1846	53,790,138	50,943,830	2,846,303	....
1847	51,546,264	54,502,948	....	2,956,684
1848	53,388,717	54,185,136	....	796,419
1849	52,951,749	50,853,623	2,098,126	....
1850	52,810,680	50,231,874	2,578,806	....
1851	52,233,006	49,506,610	2,726,396	....
1852	53,210,071	50,792,512	2,417,559	....
1853	54,430,344	51,174,839	3,255,505	....
1854	56,822,509	60,031,568	....	3,209,059*
1855	63,364,605	84,505,788	....	21,143,183*
1856	72,218,988	82,323,401	....	10,104,413*
1857				
1858				
1859				
1860				

* Provided for by loans and Exchequer Bills and Bonds.

the Exchequer, the Expenditure, the Surplus or Deficiency, from 1820 to 1856 inclusive; also the changes in the Prime periods.

Years.	Balances in Exchequer.	Prime Minister.	Chancellor of the Exchequer.
	£		
1820	7,315,457		N. Vansittart.*
1821	6,019,064		
1822	7,797,020		
1823	9,421,279	Earl of Liverpool.	F. J. Robinson.†
1824	9,552,522		
1825	5,305,638		
1826	5,119,555		
1827	4,228,753	G. Canning. Lord Goderich.	G. Canning. J. C. Herries.
1828	4,976,904	Duke of Wellington.	H. Goulburn.
1829	4,849,517		
1830	5,993,940		
1831	3,833,689	Earl Grey.	Lord Althorp.
1832	4,688,647		
1833	4,943,399		
1834	4,867,994	Viscount Melbourne. Sir R. Peel.	Sir R. Peel.
1835	6,069,458		T. S. Rice.‡
1836	6,049,372		
1837	4,127,973	Viscount Melbourne.	F. T. Baring.
1838	4,594,884		
1839	3,707,425		
1840	3,858,465		
1841	3,653,810	Sir R. Peel.	H. Goulburn.
1842	1,390,059		
1843	4,716,019		
1844	6,254,113		
1845	8,452,090		
1846	9,131,282	Lord John Russell.	Sir C. Wood.
1847	8,457,691		
1848	8,105,561		
1849	9,748,539		
1850	9,245,696		
1851	8,381,637		
1852	8,841,822	Earl of Derby.	B. Disraeli.
1853	4,485,230	Earl of Aberdeen.	W. E. Gladstone.
1854	6,015,613	Lord Palmerston.	Sir G. C. Lewis.
1855	3,688,600		
1856	6,942,428		
1857			
1858			
1859			
1860			

* Afterwards Lord Bexley.
† Afterwards Earl of Ripon.
‡ Now Lord Monteagle of Brandon.

Guaranteed Foreign Loans.

Besides the loans contracted directly by the English Government, there are certain foreign loans, the repayment of which it has guaranteed by special conventions with other States; these are the Russian-Dutch Loan, the Greek Loan, the Turkish Four-per-cent.-Guaranteed Loan, and the Loan to Sardinia. As these loans are none of them finally discharged, it may be desirable to give a brief explanation of each of them in a work of this kind.

The Russian-Dutch Loan, 25,000,000 *Dutch Florins, or* £2,142,245.

This loan is the result of a Treaty entered into between Great Britain, Russia, and the Netherlands, dated May 14th, 1815, in pursuance of a convention entered into by King George III. and the King of the Netherlands, whereby it was agreed by the latter to take on himself a part of the capital and arrears of interest to the 1st January, 1816, of the Russian Loan contracted with Messrs. Hope & Co., of Amsterdam, to the amount of 25,000,000 florins, Dutch currency; and the former engaged to recommend an equal capital to be paid by Parliament, viz., 25,000,000 florins, Dutch currency; the respective Governments to be liable in equal shares at 5 per cent. per annum, and a sinking fund of 1 per cent., to be increased, on the demand of the Russian Government, to any higher rate, not exceeding 3 per cent., until the whole is discharged; the Russian Government, in the mean time, to continue security to the creditors for the *whole* of the loan. But in case the Netherlands and the Belgic Provinces should be severed, the payments of the loan, on the part of Great Britain and the Netherlands, should cease; and in the event of a war between any of the high contracting parties, the payments on the part of Great Britain and the Netherlands should not be interrupted, Russia being equally bound to its creditors. But, notwithstanding that Belgium has been separated from the Netherlands, the payment of the loan to Russia was continued under the 2 & 3 Will. IV. cap. 81. The following statement of the principal and interest paid in each year on this debt, from 1816 to 1856 inclusive, is compiled from official documents:—

Amount paid for Principal and Interest.					Amount paid for Principal and Interest.				
YEAR.	Florins.	Equal, at *Fl.* 11 $\frac{67}{100}$ per £ Sterling, to			YEAR.	Florins.	Equal, at *Fl.* 11 $\frac{67}{100}$ per £ Sterling, to		
		£	*s.*	*d.*			£	*s.*	*d.*
1816	1,493,750	127,999	2	11	1838	1,218,750	104,434	8	10
1817	1,481,250	126,928	0	4	1839	1,206,250	103,363	6	6
1818	1,468,750	125,856	17	11	1840	1,193,750	102,292	4	0
1819	1,456,250	124,785	15	6	1841	1,181,250	101,221	1	7
1820	1,443,750	123,714	13	2	1842	1,168,750	100,149	19	2
1821	1,431,250	122,643	10	8	1843	1,156,250	99,078	16	9
1822	1,418,750	121,572	8	2	1844	1,143,750	98,007	14	2
1823	1,406,250	120,501	5	9	1845	1,131,250	96,936	11	9
1824	1,393,750	119,430	3	4	1846	1,118,750	95,865	9	3
1825	1,381,250	118,359	0	10	1847	1,106,250	94,794	6	10
1826	1,368,750	117,287	18	5	1848	1,093,750	93,723	4	5
1827	1,356,250	116,216	15	10	1849	1,081,250	92,652	2	0
1828	1,343,750	115,145	13	6	1850	1,068,750	91,580	19	6
1829	1,331,250	114,074	11	0	1851	1,056,250	90,509	17	1
1830	1,318,750	113,003	8	8	1852	1,043,750	89,438	14	7
1831	1,306,250	111,932	6	1	1853	1,031,250	88,367	12	2
1832	1,293,750	110,861	3	9	1854	1,012,500	86,760	18	6
1833	1,281,250	109,790	1	2	1855	1,000,000	85,698	7	5
1834	1,268,750	108,718	18	10	1856	987,500	84,618	13	3
1835	1,256,250	107,647	16	3					
1836	1,243,750	106,576	13	10		50,975,000	4,368,046	5	0
1837	1,231,250	105,505	11	4					

It will be seen from the above statement, that during the last 41 years the British nation has paid £4,368,046 5*s.* in liquidation of this loan, or £2,225,801 above the original sum; and as it has to be paid for 59 years from January, 1857, the estimated amount of interest and principal during that period will be 36,525,000 florins, or £3,129,820; making the total sum paid by England on this debt 87,500,000 florins=£7,497,866 5*s.*, or £5,355,621 5*s.* beyond the original amount.

The Greek Loan £2,343,750.

The repayment of this loan was guaranteed by England, France, and Russia on the establishment of the Greek Monarchy in 1833. The loan was £2,343,750, and was contracted by Messrs. Rothschild; the interest is 5 per cent., payable in London at par, and in Paris at a fixed rate of exchange

of 25 francs 60 centimes per £ sterling, on the 1st of March, and the 1st of September, in each year. Of the original sum borrowed, £550,000 were paid to the Turkish Government for a portion of territory ceded to Greece on the establishment of that Monarchy. The security for the interest and sinking fund were—*all* the revenues of Greece; but these have proved of little value: for the Government have never discharged more than a trifling portion of the debt. Each of the above-named Powers only guaranteed *one-third* of the sum. The total amount paid by the British Government up to the end of the year 1856, for interest and sinking fund, was £645,782 17*s.* 7*d.*; the only amount repaid by the Greek Government to that date was £23,343 16*s.* 2*d.*,* in 1847, and £7,740 15*s.* 6*d.* in 1848, leaving a balance due of £614,698 5*s.* 11*d.*

The Turkish Four-per-Cent.-Guaranteed Loan £5,000,000.

This Loan was guaranteed by France and England, under a convention signed in London June 27th, 1855, to enable Turkey to carry on the war against Russia. The guarantee is made *conjointly* between the two Powers; the loan to be raised by the Sultan; the rate of interest guaranteed is 4 per cent. per annum, and the sinking fund 1 per cent. per annum. Under the 3rd article, the interest and sinking fund are to form a charge on the *whole* revenues of the Ottoman Empire, and "specially" on the annual tribute of Egypt (£282,000,) which remains over and above the part appropriated to the *first* loan,† and the customs of Smyrna and Syria; the amount of interest and sinking fund to be remitted half-yearly to the Bank of England, on or before the 25th of June, and the 25th of December, in each year. The contract for this loan was taken by Messrs. Rothschild in August, 1855, at 102$\frac{5}{8}$ per cent.

The following declaration was exchanged between the British and French Governments at the time of signing the convention:—

* *Parl. P.*, No. 30, Session 1857.

† The first loan was contracted in 1854, amounting to £3,000,000, by Sir Isaac L. Goldsmid and Messrs. Palmer & Mackillop. See TURKEY.

"That in the event of the Turkish Government failing, *in whole* or *in part*, to remit the amount of the half-year's interest, the British Government shall advance the amount which may be necessary to enable the Bank of England to pay the said interest at the appointed time; that the British Government shall then transmit to the French Government an account of the amount so advanced; and that the French Government, on its part, shall immediately remit to the British Government the half of such amount; it being understood, that any sums so advanced by the British and French Governments shall be proportionally repaid to them out of any funds which may be remitted by the Turkish Government to the British Government."

The Sardinian Loan £2,000,000.

This Loan had its origin under the war carried on against Russia, in consequence of Sardinia being called upon to render military aid in the support of England. This loan was not contracted with any capitalist, but advanced by the British Government from the Consolidated Fund, at 3 per cent. interest per annum, and a sinking fund of 1 per cent. per annum. Of the above loan, £500,000 was advanced in May, 1855; £500,000 in November of the same year, and the remainder in 1856. The total amount of principal and interest repaid to the 31st December, 1856, was £14,950 1*s.* 3*d.*, leaving a balance to be discharged of £1,985,049 18*s.* 9*d.*

Loans and Subsidies to Foreign States from 1793 to 1820 inclusive.

As the subject of loans and subsidies to foreign States during the French Revolution, which commenced in 1793, and terminated in 1815, is one that is intimately associated with the financial condition of England during that period, the following statement has been compiled from Parliamentary Paper, No. 466, Session 1854:—

		£	s.	d.	£	s.	d.
1793	Hanover	492,650	17	11			
	Hesse Cassel	190,622	16	5			
	Sardinia	150,000	0	0			
					833,273	14	4
1794	Prussia	1,226,495	0	0			
	Sardinia	200,000	0	0			
	Hesse Cassel	437,105	1	9			
	Hesse D'Armstadt	102,073	0	0			
	Baden	25,196	5	7			
	Hanover	559,375	11	3			
					2,550,244	18	7
1795	Germany (Imperial Loan, 35 Geo. III., c. 93)	4,600,000	0	0			
	Baden	1,793	15	3			
	Brunswick	97,721	13	9			
	Hesse Cassel	317,492	11	2			
	Hesse D'Armstadt	79,605	5	6			
	Hanover	478,347	17	6			
	Sardinia	150,000	0	0			
					5,724,961	3	2
1796	Hesse D'Armstadt	20,075	13	8			
	Brunswick	12,794	9	5			
					32,870	3	1
1797	Hesse D'Armstadt	57,015	3	4			
	Brunswick	7,570	11	6			
	Germany (Imperial Loan, 37 Geo. III., c. 59)	1,620,000	0	0			
					1,684,585	14	10
1798	Brunswick	7,000	0	0			
	Portugal	120,013	13	0			
					127,013	13	0
1799	Prince of Orange	20,000	0	0			
	Hesse D'Armstadt	4,812	10	0			
	Russia	825,000	0	0			
					849,812	10	0
1800	Germany	1,066,666	13	4			
	German Princes	500,000	0	0			
	Bavaria	501,017	6	0			
	Russia	545,494	0	0			
					2,613,177	19	4
1801	Portugal	200,113	15	4			
	Sardinia	40,000	0	0			
	Hesse Cassel	100,000	0	0			
	Germany	150,000	0	0			
	German Princes	200,000	0	0			
					690,113	15	4
1802	Hesse Cassel	33,450	18	8			
	Sardinia	52,000	0	0			
	Russia	200,000	0	0			
					285,450	18	8
1803	Hanover	17,628	5	7			
	Russia	63,000	0	0			
	Portugal	131,647	4	1			
					212,275	9	8

continued.

	continued.	£	s.	d.	£	s.	d.
1804	Sweden	20,119	4	11			
	Hesse Cassel	83,303	19	5	103,423	4	4
1805	Hanover	.....			35,340	14	6
1806	Hanover	76,865	2	4			
	Hesse Cassel	18,982	2	11			
	Germany	500,000	0	0	595,847	5	3
1807	Hanover	19,899	4	2			
	Russia	614,182	16	4			
	Hesse Cassel	45,000	0	0			
	Prussia	180,000	0	0	859,082	0	6
1808	Spain	1,497,873	6	10			
	Portugal	—					
	Sweden	1,100,000	0	0			
	Sicily	300,000	0	0	2,897,873	6	10
1809	Spain	529,039	1	8			
	Portugal (Loan, 49 Geo. III., c. 71)	600,000	0	0			
	Sweden	300,000	0	0			
	Sicily	300,000	0	0			
	Austria	850,000	0	0	2,579,039	1	8
1810	Hesse Cassel	45,150	3	3			
	Spain	402,875	5	2¾			
	Portugal	1,237,517	19	2			
	Sicily	425,000	0	0	2,110,543	7	7¾
1811	Spain	220,689	10	0			
	Portugal	1,832,168	4	10			
	Sicily	275,000	0	0			
	Portuguese Sufferers	39,555	5	4	2,367,413	0	2
1812	Spain	1,000,000	0	0			
	Portugal, including Stores	2,167,831	15	2			
	Portuguese Sufferers	60,444	14	8			
	Sicily	400,000	0	0			
	Sweden	278,291	17	5			
	Morocco	1,952	2	7	3,908,520	9	10
1813	Spain	1,000,000	0	0			
	Portugal	1,644,062	17	2			
	Sicily	600,000	0	0			
	Sweden	1,320,000	0	0			
	Russia	657,500	0	0			
	Russian Sufferers	200,000	0	0			
	Prussia	650,039	16	8			
	Prince of Orange (repaid)	200,000	0	0			
	Austria	500,000	0	0			
	Morocco	14,419	0	8	6,785,982	14	6

continued.

	continued.	£	s.	d.	£	s.	d.
1814	Spain	450,000	0	0			
	Portugal	1,500,000	0	0			
	Sicily	316,666	13	4			
	Sweden	800,000	0	0			
	Russia	2,169,982	2	8			
	Prussia	1,319,128	18	8			
	Austria	1,064,881	13	4			
	France (repaid)	200,000	0	0			
	Hanover	500,000	0	0			
	Denmark	121,917	16	0			
					8,442,577	4	0
1815	Austria	1,796,229	8	8			
	Russia	3,241,919	7	0½			
	Prussia	2,294,222	3	11¼			
	Hanover	200,000	0	0			
	Spain	147,295	18	11			
	Portugal	100,000	0	0			
	Sweden	521,061	17	1			
	Minor Powers under engagements with the Duke of Wellington	1,724,001	8	4	10,924,730	3	11¾
1816	Russia	1,096,355	17	7½			
	Sicily	117,748	6	8			
	Sweden	506,098	13	7			
	Spain	1,000	0	0			
	Minor Powers under engagements with the Duke of Wellington	9,527	10	0			
	Russian-Dutch Loan	121,964	12	9			
					1,852,695	0	7½
1817	Russian-Dutch Loan	.....			130,641	7	0
1818	Russian-Dutch Loan	133,417	6	3			
	Holland (Fortifications—Netherlands)	529,765	2	8			
					663,182	8	11
1819	Russian-Dutch Loan	126,374	3	5			
	Holland (Fortifications—Netherlands)	640,000	0	0			
					766,374	3	5
1820	Russian-Dutch Loan	119,517	1	9			
	Holland (Fortifications—Netherlands)	360,000	0	0			
					479,517	1	9
				Total....	£60,209,562	14	5

The East India Company.

The first East India Company was originated in 1599, by Queen Elizabeth sending out one John Mildenhall, overland from Constantinople to the court of the Great Mogul, to obtain certain privileges for the Company; but the Spanish and Portuguese Jesuits, who then had much power over the Mogul, prejudiced the Court greatly against the English; and it was some time before those prejudices could be overcome; and as spices could not be had from Spain, except at very high prices, we being at war with that country, Queen Bess was determined to open a trade to the East Indies. A Charter was, therefore, granted on the 31st December, 1600, to George, Earl of Cumberland, and 215 Knights, Aldermen, and Merchants, that they might enter upon one or more voyages to the East Indies; to be a corporate body politic, under the name of the "*Governor and Company of Merchants of London trading into the East Indies;*" to have succession; to purchase lands without limitation; to have one Governor, and twenty-four persons to be elected annually, to be called committees,* who were to have the sole management of the voyages and of the shipping and merchandize. The first Governor was Sir Thomas Smith, Alderman. The Charter was granted for fifteen years; and the privileges conferred on the members were, exemption from payment of customs for the first four voyages, and afterwards by the Company giving their bonds, payable one-half in six months, and the other half in six months following; and for all cargoes lost at sea outward bound, the customs to be allowed from the next cargoes; and any merchandize imported from India, that had paid customs, might be re-exported within thirteen months, without paying further customs. The Company was also allowed to export £30,000 in foreign coin or bullion, provided one-fifth, or £6,000, were first coined at the Queen's Mint; and the like for all subsequent voyages, provided the Company *first imported* a similar amount of foreign coin or bullion. The Company was allowed to send yearly to East India six good ships, and six pinnaces

* The term "committee" was at this time used for director; the term "director" was not substituted for this word until the Charter was granted to the Bank of England.

with 500 mariners; but none of the Queen's subjects were allowed to trade thither without a license from the Company, on pain of forfeiting ships and cargoes, with imprisonment, until the offenders gave bond for £1,000 not to trade thither again. The majority of any general meeting of the Company had power also to grant the freedom of the Company to servants, apprentices, factors, &c. The Charter to cease and determine after two years' notice, should it not prove profitable to the Crown and Realm. The original capital was £30,000, divided into 600 shares of £50 each; but in 1601, the Company raised £72,000, when their first fleet was sent out to India under the command of Captain James Lancaster. They first put in at Acheen, in the Isle of Sumatra, and afterwards at Bantam, where they settled factors, and returned home in the Downs in September, 1603, after a voyage of two years and seven months.

This was the origin of a Company, whose subsequent power and wealth have acquired such gigantic proportions, that it may be ranked as the most influential corporation in the world. It had, however, in its infancy to contend against very powerful opposition; but, notwithstanding its ultimate success, it has ever been regarded as the fruit of a great and powerful monopoly.

In 1604, King James I. granted another Charter for trading to China, Japan, and other parts in the East, though contrary to the original one granted by Elizabeth. In 1610, King James granted the Company a Charter in perpetuity; hitherto they had not traded as a joint-stock body, but merely as copartners; but in 1613, all the capitals were united into one trading stock; and in 1618, the King conferred on them the power of seizing any other ships and merchandize of his subjects found trading within the Company's limits without their license. In 1635 King Charles I. granted a Charter to a rival Company, but it turned out a complete failure.

In 1655 Oliver Cromwell dissolved the Company, and laid open the trade to India for three years; but in 1657, it was re-established with a nominal capital of £739,782, though only 50 per cent. was called up. In 1661 King Charles II. granted a new Charter, confirming all their former rights and privileges; but the members had no power to transfer stock as at present; each member paid in a certain sum, and received a propor-

tionate dividend on the profits of each respective voyage, and the corporation might be dissolved on three years' notice.

The first general valuation of the Company's capital stock was made in 1664, when the market price on the Exchange was only 70 per cent., though its actual value was 130 per cent.; and the profits divided are said to have amounted to nearly 50 per cent. on the capital paid up.

In 1676 a fresh Charter was granted, confirming all former privileges, "notwithstanding any *mis-user*, *non-user*, or *abuser* whatsoever of their former rights, liberties, &c." Instead of dividing their profits, the Company doubled their paid-up capital, making it £739,782, by which every £50 share was increased to £100. In 1677 an able defence of the Company was published anonymously. In 1683 a new Charter was granted by King Charles, confirming the previous ones, and granting power to the Company to exercise martial law, and to establish a court of judicature to determine all cases of forfeitures, seizures of ships and goods, and all maritime and mercantile bargains, policies of insurance, bills, bonds, contracts, charter-parties, wages of mariners, trespasses on the high seas, &c. Here we have the germ of political power, which has since spread itself over a great portion of the Indian territories.

In 1684 an action was brought against one Thomas Sands, an "interloper," a term applied to those traders to the East Indies not belonging to the chartered Company, or trading under their license, which was defended with some obstinacy; Sands having pleaded in his defence the 18th statute of King Edward III., cap. 3, which enacts, "that the seas shall be open for all merchants to pass with their merchandize whenever they please." 2. The 21st James II., cap. 3, which declares all monopolies to be contrary to the common law. 3. That the granting of any *sole* trade whatever is contrary to *Magna Charta*, and to divers other ancient statutes; and that, by the 11th Richard II., cap. 7, all *letters patent*, contrary to the freedom of commerce, were void. The arguments of Lord Chief-Justice Pollexfen were so clear as to prove the Company a monopoly beyond dispute, as it traded to the extent of a million sterling yearly, and nobody had the commodities but the Company; that no man could vote in the Company unless he had £500 stock, which would cost £1,500 to buy; and that the Company

was not established by Act of Parliament, which was decidedly against the rights and spirit of the common law. But, notwithstanding, numbers of unlicensed ships were seized under the lawless prerogative of the Crown in this and the following reign.

In 1685 the profits of the Company for the previous nine years were valued at £963,639; but in this year the Company commenced war against the Mogul, and on the 12th of April, 1686, a new Charter was granted by James II., confirming former privileges, and granting power to the Company to appoint admirals, vice-admirals, rear-admirals, captains, &c., with power to raise seamen and soldiers. This Charter also empowered the Company, for the first time, to coin in their forts any species of money usually coined by the Indian princes, provided it was in accordance with their standard of weight and fineness, and that it did not extend to the coining of European money; such money to be current in all the cities, towns, forts, and ports within the Company's limits. In October, 1693, a new Charter was granted under certain regulations, viz., to subscribe £744,000 additional capital, in sums of not less than £10,000, which added 781 new members. In general courts £1,000 stock to command *one* vote; and no member to have more than *ten* votes. The Governor, or in his absence the Deputy-Governor, to have a casting vote in all Courts; and each to have £4,000 in his own right; no permission of ships to be granted to trade to India on private account, on pain of forfeiting the Charter. No private contract to be made for the sale of the Company's goods (saltpetre for the King's use excepted); the Company to export to India annually British goods to the value of £100,000 at least; all future dividends of the Company to be paid in money only; and a book to be kept, wherein the value of the stock should be entered, and attested on oath, and open to the inspection of all concerned; the same for all mortgages, alienations, transfers, and assignments. This Charter was granted for twenty-one years; and one year before its expiration, books were to be opened for a new subscription.

In 1695 a parliamentary enquiry was instituted into its affairs, when it was discovered, that on the renewal of the Charter in 1693, the sum of £80,000 had been expended by Sir Thomas Cooke, the Governor, in secret services; but as Francis Tyssen, the

Deputy-Governor, Sir Basil Firebrass, Charles Bates, and James Craggs, refused to state to whom the money had been given, they were committed to the Tower by the House of Commons. But Sir Thomas Cooke ultimately had £12,000 awarded to him for his sufferings. In 1698 fresh opposition was raised against the Company, and a formal offer was made to advance £700,000 to the Government, (much in want of money,) for the privilege of exclusive trading to India, at 4 per cent. per annum interest; but the Company was soon outbid by a number of merchants, under the direction of a Mr. Samuel Shepherd, who had secured the favour of Mr. Montague, then Chancellor of the Exchequer; these offered to advance a loan of £2,000,000 at 8 per cent. interest, provided they were allowed to trade to India individually, or by a joint-stock, as they might think desirable. Arguments were pleaded for, and against, the old Company, but the new Company prevailed, and were incorporated by an Act of Parliament the same year on the 3rd of September, under the name of "*The English Company trading to the East Indies.*" By this Charter the Company was distinctly prohibited from discounting bills of exchange, bills or notes, and from keeping books or cash for any persons but their own corporation, so as not to interfere with the privileges of the Bank of England; the Company was not to owe, at any one time, more than the *capital* stocks; and if by dividends at any time its debts exceeded that amount, each member should be liable in proportion to his shares, and costs of suit. By this Charter one-tenth of the whole annual exports of the Company to India were to be in British products and manufactures. But as the old Company was still in possession of a large amount of property and of privileges granted by the Moguls, and had subscribed £315,000 into the new stock, in the name of John Dubois, their Treasurer, they obtained an act to continue a Corporation. These two Companies were for some time divided with much inveteracy,—the old one being supported in Parliament by the Tories, and the new one by the Whigs. It was not till 1702 that they were reconciled, which was made under an indenture, dated the 22nd July, between the Queen and the two Companies, on condition that the *old* Company should purchase of the *new* one £673,000 of its stock at par. The capital stock of the new Company stood as follows prior to this arrangement:—

Old Company's subscription	£315,000
New ditto	1,662,000
Separate traders	23,000
	£2,000,000

And afterwards, as follows:

Stock of old Company	£988,500
Ditto for the new Company	988,500
Ditto for separate traders	23,000
	£2,000,000

An agreement was entered into to carry on the trade unitedly for seven years; but each Company was to keep the moiety of its capital distinct during that period; and the old Company's dead stock being valued at £330,000, and that of the new at £70,000, the latter had to pay up to the old one £130,000 to possess an equal moiety of £400,000 intended to form the whole dead stock, valued at that sum; and the old Company covenanted to resign their Charter into the Queen's hands in two months after the expiration of the seven years; the new Company to be thenceforth called "*The United Company of Merchants of England trading to the East Indies.*" In 1708 the Company proposed to reduce the rate of interest on the loan advanced at 8 per cent., by advancing £1,200,000 more without additional interest, making the total £3,200,000, to be charged only at 5 per cent. The Company to meet this sum was empowered to borrow £1,500,000 on their bonds, and to make calls upon their proprietors; and the Charter was prolonged until three years' notice should be given after 1726. To amalgamate the two Companies, £100 8*s.* 10*d.* of the new in the United Company was given for every £100 of old stock; and a call of 25½ per cent. was made on the old proprietors, for enabling them to be joined to the united one.

In 1726 a new Charter was granted with fresh privileges and powers to erect a Corporation at Fort St. George, Bombay, and at Fort William, in Bengal, with perpetual succession, and a common seal. It was, at the same time, made felony to counterfeit the bonds of the Company. In February, 1730, the national jealousy was as strong as ever against the exclusive privilege of trading to the East Indies, and a new proposal was

accompanied by a petition from a fresh body of merchants, by offering £3,200,000 to redeem the former loans, with interest at 4 per cent. till Lady-day, 1733, and afterwards at 2 per cent. per annum; but this bidding was not so much to remove the monopoly, as to gain possession of a share of it; for they petitioned for the trade to be *solely* confined to the Port of London for the term of thirty-one years, and to be redeemed on three years' notice. Many advantages were, as a matter of course, set forward by the petitioners, such as reducing the national debt, increasing our export trade, and rendering East India commodities cheaper at home. But, notwithstanding, the petition was rejected, and the Company was supported in its privileges, for which it gave £200,000 to the public, and reduced its interest from 5 to 4 per cent., for which the Charter was prolonged from 1736 to 1766, and afterwards three years' notice to be given; when, on the redemption of £3,200,000, the exclusive privileges of trading should cease, though it might remain a Corporation for ever. In 1743 another offer to advance £1,000,000 of money to the public, at 3 per cent. interest, was made, increasing the debt to £4,200,000, to be redeemable upon one year's notice after Lady-day, 1745, and the Charter to be extended fourteen years, in addition to the period granted under previous Charters, viz., to three years' notice after Lady-day, 1780. Before the expiration of this term, the Company's affairs were involved in pecuniary difficulties, arising from the wars they were engaged in with native and foreign Powers. In 1767 the Company was allowed to retain possession of the lands it had acquired in India for two years, on consideration of making an annual payment to Government of £400,000, which was afterwards extended to 1774; but in 1773 the Company was unable to discharge the Government claim, and was forced to appeal to Parliament for a loan of £1,400,000, which was afterwards discharged, and the Company was continued till 1781; the Charter was then renewed till 1794, or upon three years' notice being given after March, 1791; by this act the Company was to pay the Government £400,000 in satisfaction of all claims due to that date. In 1784 Mr. Pitt brought in his India Bill, appointing a Board of Control, to consist of six Privy Councillors nominated by the King; the Secretaries of State,

and the Chancellor of the Exchequer, were also members of the Board by virtue of their offices. Their business was to superintend the territorial and political affairs of the Company, and to inspect all correspondence passing to and from India, and to act in all such matters independently of the Court of Directors. It is, in fact, a little Parliament on Indian affairs, and at present exercises almost sole authority over the political and territorial matters connected with British India. But the salaries of the President and other officers, as well as the expenses of the establishment, situated in Cannon-Row, Westminster, are discharged by the East India Company. The governing powers in England, therefore, consist of the Court of Proprietors, the Court of Directors, and the Board of Control.

In 1793 their privileges were extended until 1814, when the Charter was renewed on payment of £500,000 annually; but this condition was not fulfilled; and in the Charter granted in 1813 for twenty years, no such condition was inserted; but it was provided by the 59th section, that when the territorial debt should be reduced to £13,000,000, (a circumstance not very likely to occur, the amount being now nearly £50,000,000,) the territorial profits should be first applied to the repayment of any public funds that might have been created for the use of the Company, and to accumulate in the Exchequer to £12,000,000, which should be retained for securing the capital stock of the Company, and for providing an annuity to the proprietors of 10½ per cent. per annum. By an Act, passed in 1833, the trading privileges of the Company were to cease and determine from the 23rd April, 1834; and that the government of India should remain in the hands of the Company until the 30th of April, 1854; the commercial assets of the Company were to be assigned to the Government, to be appropriated to the discharge of the territorial debt; and that £2,000,000 thus realized should be invested in public securities, as a guarantee for the redemption of the capital; the proprietors were also secured in a dividend of 10½ per cent. per annum on their capital, payable half-yearly on the 5th of January, and the 5th of July, in each year, at the East India House; and the Government reserved to itself the option of redeeming the capital stock of the Company after the 30th April, 1874, at the rate of £200

per cent., with the proviso, that the stock might be claimed by the Company in 1854, should the government of India be withdrawn from its management.

The last Act, in reference to this Company, was passed on the 20th of August, 1853, by which the government of India was continued in trust for the Crown beyond 1854, until further provision should be made in connection with the Board of Control; and vested in eighteen Directors, of whom three are appointed by the Crown, and fifteen by the East India Company; of those chosen by the Crown, one is allowed to serve as a Director for *two* years, another for *four* years, and a third for *six* years; and every such director shall have been, for ten years at least, in the service of the Crown, or of the Company, in *India*. Of the Directors selected by the Company, five are to serve for *two* years, five for *four* years, and five for *six* years. The Act also appropriates to the Chairman £1,000, to the Deputy-Chairman £1,000, and to each of the Directors, a salary of £500 per annum.

The qualification for a *Proprietor* to one vote, is the possession of at least £1,000 of stock in his own right; for two votes, £3,000; for three votes, £6,000; and for four votes, £10,000; which is the largest number allowed to one Proprietor, and to which he must have been entitled twelve months, unless obtained by right of will or marriage. To be qualified for a seat in the *Direction*, the possession of £2,000 stock is necessary. Every Director, before taking office, has to make oath of his fidelity to his Sovereign. The Court of Directors have power to appoint the Governor-General of India, and the Governors of the Presidencies, subject to the approval of the Crown; and they possess the power of recalling them; but, practically, these powers are exercised by the Government through the Board of Control.

By a parliamentary paper printed in 1853, the total number of proprietors entitled to vote in the choice of Directors, was 1,785; of which 1,374 were males, and 411 females. Of the male voters there were 1,055 entitled to 1 vote; 235 to 2 votes; 50 to 3 votes; and 34 to 4 votes. Of the female voters 320 were entitled to 1 vote; 72 to 2 votes; 12 to 3 votes; and 7 to 4 votes.

Such is the present position of a Company, whose history extends over a period of 256 years, and whose dominion is exercised over 150 millions of human beings.

The dividend of the Company is at the rate of 10½ per cent. per annum on a capital of £6,000,000, or £630,000 per annum, which originated as follows:—

Total subscribed in	1708	£3,200,000.
Ditto added	„ 1786	800,000.
Ditto „	„ 1789	1,000,000.
Ditto „	„ 1794	1,000,000.
Total		£6,000,000.

For the Debts and Revenues of British India, see INDIA.

CHAPTER III.

BANKS AND BANKING IN ENGLAND.

THE BANK OF ENGLAND.

The business of banking, as it is now practised, can scarcely be said to have had any existence until the beginning of the eighteenth century, and even then it bore very little resemblance to that state of perfection to which it has now arrived. Most persons who had at their command any surplus cash, down to the time of the Charleses, were accustomed to place it in the hands of the goldsmiths, whose receipts, termed "goldsmiths' notes," were probably the first description of paper-money, which ultimately gave way to the introduction of what is now termed the "bank-note."

The Bank of England can scarcely be said to have originated, like numerous schemes which were concocted at the end of the seventeenth and the beginning of the eighteenth century, but arose out of the necessities of the State in the reign of King William III., whose expensive wars involved his Government in perpetual debt; and in connection with these demands, every species of jobbing and speculation that could be set on foot was put into practice. A writer of the time remarks, that

> "The funds were run down; credit was jobbed away in 'Change-Alley; the King and his troops were devoured by mechanics and sold by usury; tallies lay bundled up like Bath faggots in the hands of brokers and stock-jobbers, who shewed their mercy by devouring the King, the Army, and the Parliament, and, indeed, the whole nation." The same writer remarks, that such were the exigencies of the King, that his soldiers have "marched into battle without shoes or stockings, while his servants have been every day walking in 'Change-Alley to get his men money of the stock-jobbers, even after all the horrible demands of discount have been allowed; and at last, scarce 50 per cent. of the money granted by Parliament has come into the hands of the Exchequer, and that late, too late for service, and by driblets, till the King has been tired with the delay."

It was under difficulties of this kind that the Bank of England had its origin; and it may readily be imagined that the King and his Government would willingly confer special privileges upon a corporate body that would come forward to lend their assistance at so critical a period.

William Paterson, a merchant, born at Traillflalt, in the county of Dumfries, in 1658, has the merit of being the first promoter, who was doubtless assisted by others equally desirous of advancing the success of the project, particularly Michael Godfrey, Esq., the first Deputy-Governor, who in his zeal to serve King William III., left London on a special visit to him at Namur, and was unfortunately killed by a cannon-ball in the trenches, at the very instant the King was warning him of his dangerous position.

The project of establishing a Bank, somewhat similar to those of Amsterdam, Hamburg, Venice, and Genoa, had engaged the attention of Paterson in 1691; the shutting up of the Exchequer by King Charles II. in 1672, when he seized the money of the bankers and goldsmiths, had created universal distrust amongst the public; and hence the power of managing the public finances was first transferred to the Bank of England. In fact, it was this indiscriminate use of the public money, and the abuse of the public credit, that contributed, more than any other cause, to the downfall of the race of Stuarts, on which Sir William Temple remarks, in his Miscellanies: "The credit of our Exchequer is universally lost by the last breach with the bankers. For credit is gained by custom, and seldom recovers a strain." The same writer observes on the seizure of £200,000 by Charles I. at the Mint in 1638, "which had then the credit of a Bank, and had been for several years the Treasury of all the vast payments transmitted from Spain to Flanders; and although the King paid back the money in a few months, the Mint has never since recovered its credit amongst foreign merchants."

The origin of the Bank of England is, comparatively, of so recent a date, that there is very little difficulty in tracing its history from the foundation of the Company to the present time. As the principal banking establishment in Europe, or in the world, we shall here give a brief sketch of its career.

In 1694 a Royal Charter was first granted, which bears date the 27th July in that year, and the Company was incorporated under the title of "THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND," by the Act of 5 William & Mary, cap. 20, for the term of 11 years, on the condition that the Company advanced a loan of £1,200,000 to Government, at the rate of 8 per cent. per annum interest, and £4,000 per annum for management. This amount was redeemable, at the option of Parliament, by giving twelve months' notice after the 1st day of August, 1705; but this debt, to which a further large amount has been added, remains unredeemed to the present day.

The securities on which the above loan was advanced were the duties on the "tonnage of ships and vessels, beer, ale, and other liquors, for securing certain recompenses and advantages to such persons as should voluntarily advance the sum of £1,500,000 towards carrying on the war against France."

Of the above-mentioned sum, £300,000 were to be raised by subscription, each subscriber to receive an annuity for one, two, or three lives, on the following terms: every subscriber who advanced £100 on *one* life, to receive an annuity of £14; on *two* lives, an annuity of £12 for every £100 advanced; and on *three* lives, an annuity of £10 for every £100. A provision was made in the Act, that in case the sum of £1,500,000 was not raised before October, 1694, the deficiency was to be made up by a loan at 8 per cent. The Bank, therefore, was secured at the very outset by a mortgage upon the taxation of the country, and the whole of its capital was lent to Government on starting as a Bank. The entire amount was subscribed for in ten days, 25 per cent. of the money paid down, and on the 27th of July the Charter was duly signed. This was the first stage of the Bank's existence as a Corporation, which consisted of a Governor, Deputy-Governor, and twenty-four Directors, elected between the 25th of March, and the 25th of April, in each year from amongst members duly qualified. The qualification necessary is, that they must all be "natural born subjects or naturalised." The property qualification for Governor, is the possession of £4,000 in his own right; for a Deputy-Governor, £3,000; for a Director, not less than £2,000 Stock of the Corporation; and every elector must have in his own right £500 of capital stock to entitle him to *one* vote. Every elector is bound to make oath to that effect; or where the party is a Quaker, he makes a declaration. The Governor, in his official capacity, has also to make the following oath:—

"I, A. B., being nominated or elected to be Governor of the Company of the Bank of England, do promise and swear, that I will, to the utmost of my power, by all lawful ways and means, endeavour to support and maintain the *body politic or fellowship* of the Governor and Company of the Bank of England, and the *liberties* and *privileges* thereof; and that in the execution of the said office of Governor, I will faithfully and honestly demean myself, according to the best of my skill and understanding, so help me God."

It is not, we believe, generally known that the Governor, for the time being, is bound by solemn oath to "support and maintain the liberties and privileges" of the Bank; and it is not at all improbable, that this sacred oath would deter many conscientious men from introducing even what would be

considered desirable improvements, without in the slightest degree interfering with the reasonable and just privileges of the Bank.

There are four General Courts held every year, namely, in April, July, September, and December; but if, through default of the Governor or Deputy-Governor, any such Courts should not have been called, any three or more of the Directors, duly qualified, may do so for the succeeding month, on the summons of the Governor or Deputy-Governor; and a General Court may also be summoned at any time, on the demand of nine Directors, duly qualified as such.

Power is also given to the majority at the General Courts to make bye-laws, orders, constitutions, cautions, and rules, for the management of the business of the Corporation.

Under these regulations the Corporation of the Bank of England commenced operations in 1694. Its first place of business was in the Hall of the Mercers' Company, and afterwards in the old Hall of the Grocers' Company; it was in this latter place that Addison inspected the Bank operations, on which he wrote his beautiful Allegory upon Public Credit that appeared in the "Spectator."

It is necessary to a clear understanding of the reasons for establishing the Bank of England at this period, to know what were the precise habits of the people in their monetary and financial dealings. The money seized upon by Charles II. in 1672 amounted to £1,328,526; and it has been stated by an anonymous writer of the time, that 10,000 families were involved, and many of them hopelessly ruined; yet Sir Thomas Clifford, for advising the King to adopt this course, was created a peer of the realm, and made Lord High Treasurer! When, therefore, the abuse of public credit by the Crown had become a bye-word amongst the people, the Bank of England was considered a Corporation standing in the defence of the public faith, and regarded in the mercantile world as an institution established for the maintenance of the public credit of the nation. That it should be thus regarded by all classes was not to be expected, particularly amongst the goldsmiths and bankers of that day; hence the formidable opposition raised by them to such an establishment. It is, however, a fact beyond dispute, that the Bank of England gradually caused the interest of money to be obtained at a lower rate, both on account of the public services as well as for commercial purposes; for the bankers and goldsmiths of that time had so far taken advantage of their position, as to call forth the animadversions of Sir Josiah Child, the father of London bankers, who said "they were the main cause of keeping the interest of money at least 2 per cent. higher than otherwise it would be; for they give 6 per cent. to private persons for the money which they lend to the King at 10 and 12 per cent., and sometimes more." This is what he calls the "innovated practice of bankers," and the "new invention of *casheering;*" and says he, "by allowing their creditors at this time so high an interest as 6 per cent., they make monied men sit down lazily with so high an interest, and not push into commerce with their money, as they certainly would do were it at 4 or 3 per cent. as in Holland. It also made money scarce in the country, seeing the

trade of banking being only in London, it very much drains the ready money from all other parts of the kingdom."

It is evident, then, from the historical facts of the day, that the Bank of England gradually introduced a more rational system of banking, and gained for itself the confidence of the public.

The first transactions of the Bank were confined to the dealings in gold or silver bullion, discounting bills of exchange, circulating their own sealed bills at interest, and their cash-notes, payable on demand, bearing no interest, now termed bank-notes. By the Charter the Bank was empowered to make advances on pawns or pledges; and though it was prohibited from trading in goods, wares, or merchandize, the Corporation could sell any such goods as they had made advances upon, unless redeemed within three months of the time agreed to.

With regard to the power of borrowing and owing, the Company were not permitted to "borrow or owe" more than the amount of their capital; and if they did, each member was made liable to the creditors in proportion to their stock; a very wise and salutary regulation.

The Bank had not been long in existence before it had to encounter financial difficulties of no ordinary character. The year after the Charter had been granted, arrangements were made for the entire recoinage of the silver monies, a great undertaking in those days, and in which the Bank played a conspicuous part; while it sustained great disadvantages owing to the scarcity of metallic money throughout the country. Mints were, therefore, established in different parts of the kingdom; but in the mean time the *tallies* in use as credit money were at from 30 to 40 per cent. discount; and as the greater portion of its funds was locked up, the Corporation had no means of liquidating the demands upon it in cash; it, therefore, adopted the plan of paying by instalments at the rate of 10 per cent. once a fortnight, and afterwards 3 per cent. once in three months. This expedient brought the notes of the Bank to 20 per cent. discount in 1696, which compelled it to issue bills of exchange for their notes bearing interest at 6 per cent.; and parties owing money to each other were allowed to transfer their accounts for any sum under five pounds.

The next experiment which the Government introduced as a substitute for the scarcity of specie was the Exchequer-bill, a form of paper-money first set on foot by Mr. Montague, the then Chancellor of the Exchequer, during the recoinage. The Bank was highly instrumental in the circulation of these bills on behalf of the Government.

Mr. Lowndes, in his Report to the Lords of the Treasury in 1695, has given an interesting account of the plan arranged to carry out this scheme. The following is a copy of the bill introduced:—

"No. 1. NOTTINGHAM. This bill entitles the bearer to the sum of to be paid with interest after the rate of five pounds per centum per annum, out of the fund settled by Parliament for satisfaction of the register for clipt or diminished money kept at the place aforesaid."

Every bill bore the name of the place where it was to be at last satisfied. But while the introduction of these bills was a great public convenience, it led also to great speculation. The Bank, however, took care to secure its privi-

leges in the emergency, and in 1697 applied to Parliament for a renewal of its Charter, though the first one had only been granted three years. The 8 & 9 William III. empowered the Bank to increase its capital stock in the depreciated notes and tallies, so that these securities, which had been bought at a very great discount, were suddenly raised considerably above par, the Bank Stock with which they were purchased selling at 112 per cent. The proportions in which the subscriptions were to be made were four-fifths in tallies, and one-fifth in Bank-notes at their par value; the interest on the tallies to be fixed at 8 per cent., secured by a duty imposed on salt. The amount added to the capital stock on this occasion was £1,007,171 10*s.*, making the total £2,201,171 10*s.*; but previous to taking in any new subscriptions, the old capital of £1,200,000 was to be made up to £100 per cent. for each member, and what remained over and above was divided amongst the old members; the Bank, after this new subscription, was allowed to issue an equal amount in its notes, provided they were answered on demand, or in default to be paid by the Exchequer out of the first money due to the Bank. By this act the Charter was prolonged until 1710, and several other regulations and provisions were introduced; one was, that no other similar corporation in the nature of a bank should be established in the kingdom; forgery of the Company's seal, or any of its sealed bills or sealed notes, was made felony; the *capital* of the Bank was to be exempt from any tax; and not liable to foreign attachment; and no contract for its sale was to be valid unless registered in the Bank books seven days, and actually transferred within fourteen days.

In 1704 the Bank had to meet the competition of a company, called the *Mine Adventurers of England*, to whom a Charter had been granted by the Crown. Amongst the petitioners were the Duke of Leeds, Earl Bolingbroke, Lord Guildford, and Sir Thomas and Sir Humphrey Mackworth, the last of whom was elected Deputy-Governor for life; and appears to have been one of the modern style of speculators. This Company formed themselves into a Money Bank, and circulated their sealed bills and cash notes in London, until restrained by a clause in the Bank Charter in 1708, to which it will be necessary hereafter to refer. This scheme was maintained in the Royal British Bank style, and about the same length of duration, namely, five years, by imposing on the proprietors all sorts of sham profits; by purchasing lead and litharge from other persons' mines, and by purchasing silver extracted from lead of other mines, and getting it coined at the Mint as the produce of the mines of the Company, during which time fresh calls were made to pay the wages of workmen greatly in arrear. But such were the practised delusions of Sir Humphrey, that he erected charity-schools with the Company's money, to draw into the scheme a number of well-disposed persons. It is scarcely necessary to say that the scheme ultimately ended in a stoppage of payment; and in 1710 a parliamentary enquiry was instituted into its transactions, which shewed its losses in banking had amounted to £88,000, and the following resolution was passed, *nemine contradicente*, by the House of Commons :—

" That it appears to this House that Sir Humphrey Mackworth is guilty of many notorious and scandalous frauds and indirect practices in violating the

Charter granted to the said Company, in breach of his trust, and to the manifest wrong and oppression of the proprietors and creditors of the Company; and the like unanimity is voted against William Sheres, the Company's Secretary, and Dykes, their Treasurer; and that a bill be brought in for preventing them from leaving the kingdom or alienating their estates." Surely the honest and straightforward way of proceeding against such characters in those days might be beneficially adopted in these times, when fraud and swindling have assumed a most refined and educated exterior.

In 1706 the Bank first undertook to circulate Exchequer Bills for the Government to the extent of £1,500,000, at 4½ per cent. interest, and to remain a Corporation till this amount was redeemed. The Bank also issued its sealed bills at 2*d.* per cent. per day, to enable it to perform its contract.

In 1708 the Bank secured to itself the sole privilege of Banking, by introducing that notable clause, which has to this day been the subject of dispute, contained in the 7th Anne, cap. 7, sect. 61, wherein it was enacted, that,—

"During the continuance of the Corporation of the Governor and Company of the Bank of England, it shall not be lawful for any body politic or corporate whatsoever, created or to be created, (other than the said Governor and Company of the Bank of England,) or for any other parties whatsoever, united or to be united in covenants or partnership, exceeding the number of six persons, in that part of Great Britain called England, *to borrow, owe, or take up any sum or sums of money on their bills, notes payable on demand, or at any less time than six months from the borrowing thereof.*"

It is from this period that the Bank of England dates its first power of issuing paper-money against all competitors, and of prohibiting all competition in Banking by a partnership exceeding six in number. But it is necessary to mention, that this clause was principally aimed against all such Companies as that of the "*Mine Adventure Company*," which has been already referred to. In this same year there was a run on the Bank, caused by a threatened invasion of Scotland by the French in support of the claims of the Pretender to the British throne, which was relieved by the Government allowing 6 per cent. interest on the sealed bills of the Bank, which had previously only borne 3 per cent.; and large sums of money were offered as advances to the Bank by the Dukes of Marlborough, Newcastle, and Somerset; a call of 20 per cent. was also made on the proprietors.

In 1708 the Bank circulated for the Government £2,500,000 in Exchequer Bills, towards meeting the supplies of the year 1709; and an act was passed to enable the Bank to double its capital, which then stood at £2,201,171 10*s.*, by selling the additional stock at £115 for every £100 subscribed; which was all accomplished in one day; and another million might have been obtained had it been required. The Bank, on this occasion, agreed to advance £400,000 to Government without additional interest, from the 1st of August, 1711, increasing the original debt due to the Bank from £1,200,000 to £1,600,000; but the Bank was to be allowed discount, at the rate of 6 per cent., until August, 1711, on the £400,000; this, with the 15 per cent. premium on the newly-subscribed capital, enabled the Bank to advance the £400,000. The Bank also agreed to cancel Exchequer Bills, previously issued,

amounting, in principal and interest, to £1,775,027 17*s.* 10½*d.*, on being allowed interest at 6 per cent., as an annuity of £106,501 13*s.* 5*d.* per annum. The Bank under this act was allowed to make dividends to its members in its capital stock, and all its former privileges were confirmed until the 1st of August, 1732. The capital at this period stood as follows, with interest at 6 per cent. :—

	£	*s.*	*d.*
Capital previous to 1708	2,201,171	10	0
Ditto subscribed in 1709	2,201,171	10	0
By additional advance to Government	400,000	0	0
By Exchequer-bills cancelled	1,775,027	17	10½
Total.....	£6,577,370	17	10½

In 1710 an act was passed for compelling the Bank to exchange Exchequer Bills for ready money, on demand, and also for preventing any person from being Governor, Deputy-Governor, or Director of the Bank of England and the East India Company at the same time.

In 1713, by the statute of 12th of Anne, cap. 11, the privileges of the Bank were extended to the 1st of August, 1742; and on twelve months' previous notice being given after that date, and the repayment of the Government debt, the corporation should cease to exist. For this the Bank agreed to circulate a further sum of £1,200,000 in Exchequer Bills, at the rate of 3 per cent. per annum, and an additional sum of £8,000 per annum, until all current Exchequer Bills should be paid off; for which the Directors might call on the proprietors for additional capital.

In 1714 the declining health, and ultimate death of Queen Anne had a serious effect on the prices of public securities, and Bank stock fell from 126 to 116, by a severe run upon the Bank for several days; but it was only temporary. The Rebellion of 1715 being quelled, and King George I. being placed on the throne, one of the first acts of his Government was to confirm the privileges of the Bank; and by an act in the first year of his reign the corporation agreed to cancel £2,000,000 of Exchequer Bills at 5 per cent., and to accept an annuity of £88,751 7*s.* 10½*d.* in lieu of £106,501 13*s.* 5*d.* for Exchequer Bills previously cancelled. For circulating the remaining Exchequer Bills, £2,561,025, the Bank was to be allowed 3 per cent. per annum from Christmas, 1717. By the same act, the Bank agreed to advance, at 5 per cent. interest, all, or part of the sum of £2,500,000 towards reducing the National Debt, when wanted. The original capital of £1,600,000 was to continue at 6 per cent. to the 1st of August, 1742.

In 1720, when a proposal was made by the South Sea Company to give £3,500,000 for the privilege of taking in all the irredeemable and redeemable debts at the Exchequer and the Bank, the latter Corporation offered £5,000,000 for the same privilege, and afterwards £1,700 of Bank stock for every £100 irredeemable Long Annuity; but the South Sea Company having bid £7,567,000, their proposal was accepted; the consequences of this jobbing have been described under the head of "*South Sea Company.*" In this year

the Bank of England, as well as the private bankers, experienced a heavy drain upon them for specie, the latter having lent out a great deal on the securities of South Sea stock.

In 1722 the Bank was authorized to increase its capital stock by purchasing of the South Sea Company an annuity of £200,000 a year at 20 years' purchase, or £4,000,000 at 5 per cent. interest; to make this purchase, the Bank opened a subscription for a capital stock of £3,389,830 10*s.* at 118 per cent., which produced a gain of £610,169 10*s.*, making the total capital £9,375,027 17*s.* 10½*d.*, the interest on which was to be reduced to 5 per cent. until Midsummer, 1727, and afterwards to 4 per cent., except on the debt of £1,600,000, which was to continue at 6 per cent. until 1742. In the same year it was made felony to counterfeit, alter, or forge Bank-notes, or to erase or alter any endorsement thereon; or to tender in payment, utter, vend, exchange, or barter any such Bank-notes, knowing the same to be altered, forged, erased, or counterfeited, with intention to defraud the Bank, or any other person or body politic. In 1727 the Bank received from the Sinking Fund the sum of £1,000,000 in part redemption of the annuity granted for cancelling Exchequer Bills in 1709, amounting to £1,775,027 17*s.* 10½*d*, and advanced to Government £1,750,000, at 4 per cent. interest on the security of the duties on coal and culm. In the following year the balance of £775,027 17*s.* 10½*d.* was repaid, as well as a further sum of £500,000 from the Sinking Fund; but an additional sum of £1,250,000 was advanced on the surplus of the lottery of 1714, thereby increasing the Bank debt to £10,100,000. In 1738 the sum of £1,000,000 was paid off from the Sinking Fund, which reduced the debt to £9,100,000.

In 1742 the Charter was again renewed by Act 15 Geo. II. cap. 13, until 1764. The original capital of £1,600,000 lent to the Government, had borne 6 per cent. interest up to this date; but the Bank agreed, under this Act, to advance to Government a further sum of £1,600,000, without additional interest, making the sum of £3,200,000, at 3 per cent. secured on the Excise duties, so that the annual interest was not increased, and a further amount of £1,600,000 was added to the debt, making it £10,700,000.

Anderson, in his History of Commerce,* gives the following statement of the Stock and Funds of the Bank to the close of 1744.

1.	Original Capital doubled at 3 per cent.	£3,200,000
2.	Cancelling Exchequer Bills 3 Geo. I., at 4 per cent...	500,000
3.	Purchased of South Sea Company at 4 per cent.	4,000,000
4.	Annuities charged on surplus funds of Lottery of 1714, at 4 per cent.	1,250,000
5.	Annuities charged on Coal Duties at 4 per cent.	1,750,000
	Total Capital lent to Government.....	£10,700,000
	The interest payable on £3,200,000 at 3 per cent.....	£96,000
	Ditto on £7,500,000 at 4 per cent.....	300,000
	Total of public interest.....	£396,000

* Vol. ii. p. 374.

It must be noted, that though the above sum of £10,700,000 was due to the Bank, yet the transferable amount in the Bank books was only £9,800,000 Bank stock, there being £900,000 of undivided capital remaining in the hands of the Corporation. The Bank having divided amongst its proprietors for several years a dividend of 5½ per cent. per annum, this amount, on £9,800,000 of stock, yielded £539,000 per annum; from which deduct interest paid by the public, £396,000, leaving a balance of £143,000, as the profits derived from banking; and allowing that Government paid 4 per cent. interest for the remaining £900,000 of undivided capital, the profits on banking amounted to £107,000, from which deduct expenses of management.

In 1745, Charles Edward Stuart, known as the Pretender, had so far succeeded in his pretensions to the English throne, as to have reached Derby at the head of a body of Highlanders. This caused a run upon the Bank the instant it became known; and the funds fell at once to 49; and in order to gain time to prepare for this unexpected calamity, and, to avoid bankruptcy, it adopted a curious stratagem, that of employing parties to present notes at one door, which were paid in small coin to gain time, and re-enter by another, with the cash they had received. Francis, in his History of the Bank, says, "the *bonâ fide* holders of notes," by this scheme, "could never get near enough to present them," which is rather difficult to understand. The most effectual check upon this drain was undoubtedly the meeting of the merchants and traders of the City, who passed a resolution to receive the notes of the Bank in payment of all sums due to them. The forces of the Pretender having been defeated, the Bank resumed its former functions in security.

In 1746 the capital of the Bank was further increased by its consenting to deliver up to the Government £986,800 in Exchequer Bills, and to receive an annuity of 4 per cent. for that amount from the fund derived from spirit licenses, making the capital £11,686,800; but as the Bank held the undivided sum of £906,800, its transferable capital amongst the proprietors was but £10,780,000.

In 1749, by the 23 Geo. II. cap. 1, the interest on the Public Debt was reduced from 4 per cent. to 3½, and afterwards to 3 per cent.; and the Bank agreed to accept these rates on £8,486,800 of its capital; the rate of 4 per cent. to continue until Christmas, 1750; 3½ per cent. to Christmas, 1757; and after that date, 3 per cent. per annum on the entire Public Debt. Up to this period the Bank had not issued its notes for a less sum than £20; and it is said that not a single instance of forgery from the commencement had been known.

In May, 1756, war was declared against France for depredations committed on the British colonies in America. In 1758 the first discovery of forged notes was made; the individual who was detected as the author of this act was one Richard William Vaughan, a linen-draper at Stafford, who had adopted it for the novel purpose of placing the notes in the hands of a young lady, to whom he was attached, as evidence of his wealth.

In 1759, the wars carried on in Germany and America occasioned a great scarcity of gold and silver in England; and in order to provide for this deficiency, the Bank, in April of that year, issued for the first time notes for £10 and £15, to meet the convenience of the public.

In 1764, by the 4 Geo. III. cap. 25, the Charter was renewed until 1786. The bargain, on this occasion, was a sum of £110,000 paid to Government, without any consideration of interest or principal; a fact worthy of note, as being the first actual money consideration paid by the Bank for the continuance of its privileges. In 1769 the gold and silver coins became very deficient in weight, in consequence of which gold bullion sold at £4 10*s.* the ounce, and silver bullion at 5*s.* 10*d.* the ounce. In 1772 great distress prevailed amongst the commercial, manufacturing, and industrial classes, which led to many failures amongst the London bankers, as well as merchants; while the Bank suffered considerable losses from the high price of gold bullion. In 1774 a new gold coinage was issued, but a great quantity soon disappeared, doubtless to find its way into the melting-pot. An act was also passed this year to limit silver coins as a legal tender to £25, or by weight at 5*s.* 2*d.* per standard ounce, as it was supposed that much of the gold coin was bought up with the depreciated silver for exportation.

In 1780 the Bank had to encounter a new difficulty, arising out of the riots headed by Lord George Gordon; but by the boldness and stern resistance of a body of citizens, and the officers of the Bank, who converted the inkstands into bullets to fire upon their assailants from within, aided by a military force from without, it was able to resist the rioters successfully.

In 1781 the renewal of the Charter was discussed, though its legal term had not yet expired; and by the 21 Geo. III. cap. 60, it was extended to 1812, by the Bank consenting to lend to Government £2,000,000 for three years, at 3 per cent. per annum. A call of £8 per cent. was also made on the proprietors, or £862,000, making the total capital £11,642,400.

In 1783 an act was passed to abolish the use of *tallies.** In the same year the Bank compounded for stamp duties, by paying the annual sum of £12,000; and the charge for managing the public debt was reduced from £562 10*s.* per million to £450. In the following year the bullion in the Bank was reduced to a very low figure, being only £590,000, which principally arose from the great extension of British trade and commerce. But the Bank had now approached a very critical period in its history.

In 1790 Mr. Pitt put in a proposal for paying over to the Government the unclaimed dividends in the hands of the Bank, which amounted to about £547,000, leaving only a balance of £50,000; both the Bank and the public were rather astonished at this proposal, and looked upon it as a breach of public faith; while a counter-proposition was made by the Bank, to lend the Government £500,000 without interest, until these unclaimed dividends should be less than £600,000, on condition that the claim should be aban-

* A species of rod made of wood of different kinds, but generally of hazel-wood, which produces the wild nut; these rods, as used in the Exchequer, were four-sided, having on one side certain notches or marks, representing the sum for which the *tally* was held; these notches were varied so as to represent sums from £1,000 to 1*s.*, &c.; and on two *opposite* sides were written the amount of the payment, the name of the payer, with the date, by an officer appointed for that purpose, called a *Teller*, from the French word *tailler*, to cut. The rod was then split in two parts lengthways, so that each piece contained one of the written sides, and the half of every notch cut on it; one of these was given to the person paying the money, and the other was deposited in the Exchequer. Most of the Exchequer tallies were destroyed in the burning of the old Houses of Parliament; and the use of them was entirely discontinued in remodelling the Exchequer department in 1834.

doned. Mr. Pitt wisely accepted the proposal for the time; but his proposition has long since become a principle in the Bank management. It was then supposed by some of the Bank Directors, that the corporation was entitled to these unclaimed dividends; and even such men as Burke and Fox were found in Parliament on the side of the Bank; but the right of Government was too clear to be questioned; and in 1791, a list of persons entitled to such dividends was published for the first time.

About this period the revolutionary doctrines, which had agitated France since 1789, began to exercise a powerful influence throughout Europe, and especially in England; and though her trade and commerce had rapidly increased after the peace with America, there was great commercial distress throughout the country towards the end of 1792, which was the forerunner of one of those panics which have become so familiar to England; it was, in fact, the first great conflict between the Bank of England and private bankers, who had then become rather numerous throughout the kingdom. On the 19th of February, 1793, the Bank returned the paper of Lane, Son, & Co., bankers, who stopped payment the next morning for nearly a *million sterling*. This became the signal for universal distrust, which spread in all directions like wildfire, and upwards of one hundred country banks were compelled to succumb to the storm, *with ample and valid securities at their command*, which could not be realized. The Bank, by this act to save itself, raised up a new superstructure of difficulties. The circulating medium became so contracted as to demand the immediate attention of Government; when Mr. Pitt, on a petition from the merchants and bankers of the City of London, who met at the Mansion-House, proposed an issue of Exchequer Bills on good security for £5,000,000; and such was the effect upon public confidence, that the sum required, only amounted to about £2,200,000, which was *all repaid*.

In 1793 France declared war against Great Britain and Holland, which caused a great demand for specie. Mr. Pitt, as Finance Minister, was gradually placed in great difficulties with the Bank from 1794 to the beginning of 1797; but the circulation of the Bank had become so inadequate to the public wants, that in 1795 it commenced issuing £5 notes, which greatly relieved the pressure on its metallic resources; yet all expedients to establish an equilibrium between its notes and cash, appear to have failed, and every month its affairs grew more critical, so that the Bank was driven at last to pass the following report and resolution on the 28th January, 1796:—

"The Governor having informed the Court, that a notice was this morning brought from the Treasury, that certain bills drawn on the Commissioners of the Treasury, amounting to the sum of £201,000, would fall due on Wednesday, the 3rd of February, and were directed for payment at the Bank, and that sum now advanced on Treasury bills is £1,157,000:—

"RESOLVED UNANIMOUSLY,—That the Governor give directions to the Cashiers *not to advance any money for the payment of these bills, nor to discharge any part of the same, unless money shall be sent down for the purpose; in which case such money shall be exclusively appropriated to these bills.*"

Never, in the history of the Bank, had the credit of the British Government reached so critical a point, and the Bank itself was placed in a very trying

situation. The secret, that was shortly afterwards to immortalise the name of William Pitt, was at this moment unrevealed. On having a copy of the above resolution presented to him by the Governor and Deputy-Governor, he replied, that he would "look into the situation of his affairs." The commercial community now began to regard this state of things with anxiety, and even with alarm. In April, 1796, a number of bankers and merchants met at the London Tavern, and passed the following resolutions:—

"1. That it is the opinion of this meeting, that there has existed for a considerable time past, and does exist at present, *an alarming scarcity of money in the City of London.*

"2. That this scarcity proceeds chiefly, if not entirely, from an *increase in the commerce of the country, and from the great diminution of mercantile discounts, which the Bank of England has thought proper to introduce in the conduct of the establishment during the last three months.*"

Other resolutions were passed at the meeting, condemnatory of the practice of contracting the circulation, which was diminished from £12,432,000 in March, 1795, to £8,640,000 in February, 1797, as exhibited in the following balance sheet:—

Dr.		*Cr.*	
To Bank-notes out	£8,640,250	By advances on Government Securities, viz., on land and malt, 1794, 1795, 1796, and 1797, on Exchequer Bills, Treasury Bills of Exchange, and interest due	£10,672,490
To other Debts, viz.:— Drawing Accounts, Audit Roll,* Exchequer Bills deposited; and various other debts .	5,130,140		
	£13,770,390		
Balance of surplus in favour of the Bank, exclusive of the Debt from Government to the Bank, at 3 per cent., which is a pledge for the capital	3,826,890	By all other credits, viz.:— Cash and bullion,† bills discounted, money lent, and various other articles	6,924,790
	£17,597,280		£17,597,280
		By the permanent debt due from Government for the capital of the Bank at 3 per cent. per annum	£11,686,800

(Errors excepted.)

(Signed) WILLIAM WALTON,
Deputy-Accountant.

Bank of England,
4th March, 1797.

At this crisis the King was requested to come from Windsor on Sunday morning to be present at a Privy Council at Whitehall; and immediately

* Unpaid Dividends.

† ALLARDYCE gives the specie at this date at £1,272,000; see his Address to the Bank Proprietors, p. 88.

afterwards another meeting was held in Downing-Street, attended by the Ministers and the Governor and Deputy-Governor, and the Directors of the Bank, when the following order was issued:—

"At a Council Chamber, Whitehall, February 26, 1797. By the Lords of His Majesty's Most Honourable Privy Council.

Present,

THE LORD CHANCELLOR, (WEDDERBURN).	EARL SPENCER.
LORD PRESIDENT (CHATHAM).	EARL LIVERPOOL.
DUKE OF PORTLAND.	LORD GRENVILLE.
MARQUIS CORNWALLIS.	MR. CHANCELLOR OF THE EXCHEQUER (WILLIAM PITT).

"Upon the representation of the Chancellor of the Exchequer, stating that, from the result of the information which he has received, and of the enquiries which it has been his duty to make, respecting the effect of the unusual demands for specie that have been made upon the metropolis, in consequence of the ill-founded or exaggerated alarms, in different parts of the country, it appears that unless some measure is immediately taken, there may be reason to apprehend a want of a sufficient supply of cash to answer the exigencies of the public service; it is the unanimous opinion of the Board, that it is indispensably necessary, for the public service, that the Directors of the Bank of England should forbear *issuing any cash in payment* until the sense of Parliament can be taken on that subject, and the proper measures adopted thereon, for maintaining the means of circulation, and supporting the public and commercial credit of the kingdom at this important conjuncture. And it is ordered that a copy of this Minute be transmitted to the Directors of the Bank of England; and they are hereby required, on the grounds of the exigency of the case, to conform thereto, until the sense of Parliament can be taken as aforesaid.

"(Signed) W. FAWKENER."

The effect of this order acted like magic throughout the kingdom, and the following resolution was signed by upwards of three thousand bankers, merchants, and traders:—

"RESOLVED UNANIMOUSLY,—That we, the undersigned, being highly sensible how necessary the preservation of public credit is at this time, do most readily hereby declare, that we will not refuse to receive *Bank-notes in payment of any sum of money to be paid to us: and we will use our utmost endeavours to make all our payments in the same manner.*"

Of course there were then, as now, a few who believed that nothing but gold and silver could perform the operations of commerce and finance. The Duke of Bedford said, "if you attempt to make Bank-notes a *legal tender, their credit will perish;*" little thinking that at a future date it would become one of the fundamental elements of the stability of the Bank.

After the above order had been issued, the Bank entered upon a new era. The celebrated Bank Restriction Act was passed on the 3rd of May, 1797, to continue in force until the 24th of June following; on the 22nd of that month another Act was passed, extending it to one month after the meeting of the next session of Parliament; but on the 26th of October of the same year, the Directors passed a resolution, in which it was stated,

"That it is the opinion of this Court, that the Governor and Company of the Bank of England are enabled to issue specie in a manner that may be deemed necessary for the accommodation of the public."

The Government, however, on the 30th of November, passed another Act to continue the restriction until one month after the *ratification* of a definitive

treaty of peace. But although the peace of Amiens was signed by Great Britain, France, Spain, and Holland on the 25th of March, 1802, it was of very short duration; for hostilities between England and France broke out again in the following year, and war was carried on between the two countries with greater animosity than ever; the restriction, therefore, was extended by the 44 Geo. III. cap. 1, to six months after a definitive treaty of peace. This event occurred in 1814, when in July of that year the restriction was extended to March 25th, 1815. Napoleon appearing again in that year on the plains of Waterloo, after escaping from the Isle of Elba, against the combined military forces of Europe, the Bank was further restricted by several Acts to July 5th, 1819; and by the 59th Geo. III. cap. 23, for an indefinite period.

The following were the principal features of the Restriction Act referred to:—

"1. That the Bank should not be compelled by any action at law to pay its notes on demand, otherwise than in its own notes, and it had power to apply to the Court to stay proceedings. No costs were allowed in the action against the Bank, unless the Court were of opinion that it was brought to ascertain the amount of the debt demanded.

"2. The Bank to issue cash only for sums less than twenty shillings; and for the services of the Army, Navy, or Ordnance, by an Order in Council.

"3. The Bank was not to issue any money in cash or notes by way of loans or advances to Government.

"4. The Bank might receive sums of money not under £500, and engage to pay *three-fourths* in cash of the sum deposited.

"5. A sum not exceeding £100,000 might be advanced 'for the accommodation of the persons dealing as Bankers in London and Westminster and the borough of Southwark, in such a manner as the Governor and Company shall deem expedient.'

"6. To the Bank of Scotland, and the Royal Bank of Scotland, £25,000 cash might be advanced to each.

"7. Payment in *notes* to be considered payments in *cash*, if accepted as such.

"8. The public revenue to be received in Bank-notes by collectors of the same, except in sums less than twenty shillings, or fractional parts of a pound.

"9. The Bank may pay in cash by giving five days' notice to the Speaker of the House of Commons."

It is rather remarkable that in this Act no provision was made for rendering the notes of the Bank of England a *legal tender*, probably from the hostility which at that time existed against the introduction of such a principle.

The history of the Bank of England from the time of suspending cash-payments in 1797, to the passing of the Bill of 1819 (59 Geo. III. cap. 49), is the most remarkable in its whole career, not only for the striking events which occurred amongst the great powers of Europe, but also for the wonderful elasticity exhibited in the national finances, and the industrious resources of the nation. Our continental neighbours, the French, while we were recently engaged in war with Russia, referred to this period, and paid the following admirable tribute to the genius of Pitt:—

"The genius of hostility and war lived in Pitt. The illustrious son of the great Chatham had disciplined, under the command of his character and his eloquence, the public spirit of his country. The entire Government rested on his sole word, which carried the people with him, and called forth from a state of things almost exhausted, and one of despair, *money, fleets, and armies.* In a word, the House of Commons was for him the veritable Dictatorship not only over England, but over Europe, to coalesce against us.

Without the genius of Pitt—without this commanding influence of his word—without the condition of this all-powerful unity—which he had accidentally impressed upon the sentiments, the passions, the interests, the efforts of his country, even in the midst of divisions the most excited and profound—the war could not possibly have been sustained by England." *

There cannot be a doubt that the suspension of cash-payments, during this remarkable period, though it led to great speculation and money-jobbing, was the means of saving the country from much greater disasters. For who that has made himself thoroughly acquainted with the critical position of the country—the mighty interests at stake—and what England might have become—had not Pitt thrown off the shackles with which custom and routine had bound him—would venture to question the wisdom and the policy of passing the Restriction Act.

The appointment of a Secret Committee to enquire into the affairs of the Bank soon followed; and it is a fact worth recording, that in the evidence given by Mr. Henry Thornton, a banker, he refers to a fact which has applied to every panic or period of monetary convulsion. "It was the want of *Bank-notes*, and not *of guineas*, that had been felt." The same witness says: "I recollect to have heard a mercantile person remark, that he had *plenty of goods for sale; that he had also a demand for them abroad;* but that a great many of the *labouring manufacturers who had made those goods had been turned off for some time past, and an increased number just before the Order in Council*, on account of his not being able to afford the usual credit, since he could not obtain his *usual discounts*." Here is the connection between labour and credit clearly and practically defined; and whenever that connection is severed, both commerce and industry become disorganized.

One of the first acts of Government in 1797, was to allow the Bank to issue notes under £5, which greatly lessened the demand for specie. But the mercantile portion of the community does not appear to have been satisfied with mere promises; and on the 16th of March, 1797, a committee of merchants met at the London Tavern, and passed the following resolutions, which apply with peculiar force at the present time, 1857:—

"Resolved,—That it is the opinion of this meeting that the accommodation afforded to the trade of the kingdom by the Bank of England, in discount of bills and notes, has been found very inadequate to the present extended commerce of the country.

"Resolved,—That it is the opinion of this meeting, that without an extension of the circulating medium of the kingdom, by discount of mercantile bills and notes, that the general commerce of the country will be exposed to the most serious, immediate, and alarming evils.

"Resolved,—That it is the opinion of this meeting, that the recent mark of confidence reposed in the Bank of England by the respectable associations formed for receiving

* "Le génie de la haine et de la guerre vivait en Pitt. Ce fils illustre du grand Chatham avait discipliné sous le commandement de son caractère et de son éloquence l'esprit public de son pays. Le gouvernement tout entier était dans sa parole, qui entraînait un peuple, et dont les échos populaires faisaient sorte d'une situation épuisée et presque désespérée, *de l'argent, des armees, et des flottes.* En un mot, la tribune pour lui était l'instrument d'une véritable dictature, non-seulement sur l'Angleterre, mais sur l'Europe pour à coaliser contre nous.

"Sans le génie de Pitt, sans cette domination de sa parole, sans la condition de cette puissante unité qu'il avait accidentellement imprimée aux sentiments, aux passions, aux intérêts, aux efforts de son pays, au sein même des divisions les plus ardentes et les plus profondes, la guerre n'eût pas été possible à l'Angleterre."—*Le Moniteur Universel*, February 17, 1855.

their notes, notwithstanding the Order in Council of the 26th of February, has given the merchants and traders a fair claim to reasonable and necessary accommodation."

At a subsequent meeting, the same committee passed resolutions of a similar tendency, remarking that "if the Bank of England were incompetent to afford the necessary and reasonable aid, it would be requisite that some other establishment should be created to supply the deficiency."

The reply which the Bank made to these complaints was, that "*the debt of the Government rendered it impossible to extend their accommodation to the merchants until that was partly liquidated;*" and as the Government had absorbed the whole capital of the Bank, the reply was a very rational one; for the Bank having only the capital of others to dispose of was bound by law and justice to protect it to the utmost of their power.

In 1800 the Bank again applied for a renewal of its privileges, though the existing Charter did not expire until 1812. By the 40 Geo. III. cap. 28, the Charter was extended to 1833 on the Bank advancing £3,000,000 for six years without interest, giving it the power to claim repayment before, should Consols be at or above 80. In 1806, an Act was passed to renew the loan until six months after a definite peace, and it was repaid in 1814; but in 1816, the Bank, under the authority of the 56 Geo. III. cap. 96, advanced to Government £3,000,000, at 3 per cent., to be repaid on or before the 1st of August, 1833. In the same year an Act was passed to authorize the Directors to increase their capital stock, by adding 25 per cent. of its accumulated profits, amounting to £2,910,600, thereby increasing the capital from £11,642,400 to £14,553,000, the amount at which it now stands.

One of the most remarkable changes produced by the Restriction Act was exhibited in the fluctuating prices of gold bullion; and which gave rise to two contending parties in the state, namely, the advocates of a metallic currency, and those who supported the system of paper currency, introduced by Mr. Pitt; and these two parties are now as strongly opposed as ever. On one side the variations in the price of gold during the Restriction Act were regarded as destructive of the national faith; while on the other, they were looked upon merely as the exponent of *price*, measured in paper-money of account, without producing any unfavourable influence upon the commercial and financial transactions of the country.

In tracing the progress of the Bank of England from this period, it would be incomplete to omit the important changes which were now introduced into the monetary system of England. In 1816 an Act was passed, which abrogated the whole of the ancient laws with regard to the *silver* coinage; and the Mint, which had been considered one of the national institutions, and open to the public for the purposes of free coinage for ages, under certain regulations, was, for the first time, converted into a Government department: and the chief office of Master became a Ministerial one, until the death of the late Mr. Lalor Sheil. This Act, though apparently unconnected with the banking system of the country, was the commencement of a course of legislation that was to follow, in which the Bank of England was to exercise a powerful influence. The coinage of silver was no longer to be left in the hands of the public; but was to be regulated by Government, both as to *quantity* as well as quality,

through the medium of the Bank and the Treasury. The old standard of coinage introduced in Queen Elizabeth's time, of coining the troy pound weight into 62*s*., was repealed, and a new one of coining it into 66*s*. was substituted; the Mint authorities retaining 4*s*. on each pound as seigneurage, or rather more than 6 per cent., the standard of fineness remaining the same. Silver by tale, which had hitherto been a *legal tender* in all transactions up to *twenty-five pounds*, was now reduced to *forty shillings*, and *gold* made the only legal tender for sums exceeding that amount. This act, therefore, completely changed two of the fundamental principles of the English monetary system; first, by restricting the *quantity* of silver money by legislative interference; and secondly, by making a *scarce metal*, and one more difficult to obtain, the *only legitimate circulating medium*. By a reference to the Coinage Acts of this country down to the passing of the Act of 1816, it will be seen that every facility was given for the "encouragement" of coining monies; while this act sought to prohibit the people from exercising *one of their most ancient and most undoubted privileges*. And we believe that England is the only nation where the people have not free access to the Mint, at all reasonable times, for the purpose of converting bullion into the legal coin of the realm.

A memorial at this time was issued by Government, in order to vindicate these changes; but the arguments put forward in that document are so irrational, and so inconclusive, that it would be a waste of time to make any further reference to it.* But it may be as well to remark, that however politic it may have been to alter the standard *weight* of the silver (a point which had been contended by Mr. Locke and Mr. Lowndes in 1695), *the closing of the Mint against the public, and thereby restricting the* QUANTITY *of the silver coinage, was an abuse of parliamentary power that cannot be too speedily removed.*

The following is the substance of the Act 56 Geo. III. cap. 68, June, 1816:—

Section 1. 18 Car. II. c. 5, as to coining silver brought to the Mint without charge, repealed.

2. 7 & 8 Will. III. c. 1, as to weight and fineness of silver coin, under Mint indenture, and so much of 14 Geo. III. c. 42, as requires 62 shillings to the pound troy of silver, repealed.

3. 38 Geo. III. c. 59, prohibiting silver coinage, repealed.

4. The pound troy of standard silver, eleven ounces two pennyweights fine, &c., may be coined into 66 shillings.

5. Old silver coin of the realm brought to the Mint, may be exchanged for its full nominal value in new silver coin.

6. Treasury may appoint persons to receive old silver coin, and exchange the same for new, at any places throughout the kingdom.

7. After the end of the period appointed for receiving old coin of the realm at the Mint, all old coin deficient in value may be cut by the person to whom it shall be tendered.

8. Provision for the loss arising from the deficiency and re-coinage of the silver coin.

* MEMORANDUM upon the Issues of the Silver Coinage, by W. W. Pole, Master of the Mint, dated May 3, 1819. Report of Lords' Committee 1819, p. 378.

9. *After a day to be appointed by Proclamation*, any person may bring silver coin and bullion to the Mint to be coined at the rate of 66 shillings per pound troy of standard silver, eleven ounces two pennyweights fine, &c.; of which 62 shillings per pound shall be delivered to the party bringing in the bullion, and four shillings retained for assaying, loss, and coinage.

10. Such sums of 4*s*. per pound shall be applied to the expense of coinage, and the surplus (if any) carried to the Consolidated Fund.

11. *Gold coin* declared the only legal tender; being of the weight and fineness of the Mint indenture.

12. 14 Geo. III. c. 42, making silver a tender to £25, and afterwards by weight, repealed after a day to be named in the King's proclamation for that purpose. No tender of *silver coin legal* beyond 40*s*.

13. Current gold coin shall not be received or paid for more or less than its value, according to its denomination, under the penalty of imprisonment for six months.

14. When persons who have been convicted shall be again guilty, the clerk of the peace shall certify former conviction.

15. Indictments not to be traversed.

16. On prosecution it shall not be necessary to prove the money lawful.

17. All other acts relating to silver coin extended to this act.

18. Act not to affect payments in Bank of England notes.

19. This act not to affect payments of revenue in Ireland in Irish Bank tokens.

The following table shews the nature of those fluctuations from 1800 to 1815 inclusive, together with the progress of the Public Debt:—

Years.	Amount of Debt funded.	Interest and Annuities created.	Equivalent in 3 per cent. Stock.	Stock created for £100 in Money.	Average Price of Gold per Ounce.			Grains of standard Gold in the £ at the market Price.
	£	£	£		£	s.	d.	
1800	20,500,000	965,550	32,185,000	158.50	3	17	10½	123.274
1801	36,910,450	1,907,343	63,578,100	174.54	4	5	0	112.941
1802	25,000,000	989,719	32,990,630	132.17	4	4	0	114.285
1803	12,000,000	614,500	20,483,330	173.55	4	0	0	120.000
1804	14,500,000	791,700	26,390,000	185.00	4	0	0	120.000
1805	22,500,100	1,254,000	41,800,000	177.20	4	0	0	120.000
1806	20,000,000	996,000	33,200,000	167.70	4	0	0	120.000
1807	15,700,000	743,949	24,798,290	159.20	4	0	0	120.000
1808	14,500,000	705,919	23,530,622	162.67	4	0	0	120.000
1809	22,532,100	1,086,562	36,218,740	161.39	4	0	0	120.000
1810	21,711,000	993,363	33,112,100	152.67	4	10	0	106.666
1811	24,000,000	1,191,736	39,724,520	166.53	4	4	6	113.609
1812	34,721,325	1,715,952	57,198,380	180.00	4	15	6	100.523
1813	64,755,700	3,562,100	118,736,690	184.87	5	1	0	95.049
1814	24,007,400	1,105,108	36,839,930	154.17	5	4	0	92.307
1815	54,135,589	3,083,620	102,787,340	191.52	4	13	6	102.673
	427,473,664	21,707,121	723,570,672	167.60	4	5	11½	111.682

It is a fact worth notice, that from 1803 to 1809, the price of gold under the Restriction Act was maintained at £4 per ounce.

The standard *fineness* of the gold sovereign is 22 carats out of 24, the representative of fine gold, or 11-12ths of fine gold, and 1-12th of alloy; and the standard *weight* of the same coin is 123.274 grains troy, which constitute the money *integer* in which all values are reckoned; the quantity of fine gold in the sovereign is therefore 113.001 grains troy. This standard of weight and fineness, to represent the pound, was fixed by Sir Isaac Newton in 1717, when Master of the Mint. It is a very common error to consider these regulations as a "standard of *value;*" whereas they only constitute a standard *measure* for estimating the value of different things.

The common expression, "Mint price," is a term equally vague and inaccurate. There is no such thing as "Mint price," applicable either to gold or silver.* The Mint authorities, in their management of the coinage, are simply authorized to coin a given weight of bullion, either of gold or silver, of a specified fineness, into a certain number of pieces of a given denomination, according to regulations laid down in a document called the "Mint Indenture;" it is this that gives to all the coins a certain fixed legalized value as currency, which can never be departed from but by the authority of Parliament. Several attempts have been made by different statesmen to preserve a uniform value between the *coin* and the *bullion* from which it is manufactured, but without effect, as the nominal value given to *coin* in one country ceases to exist the instant it enters another country; and is only estimated by the quantity of fine metal contained in it. The market price and the Mint value of coins, therefore, simply indicate their actual value as *bullion* in the first case, and their nominal value as *coin* in the second; and as long as both are allowed to be freely exported and imported from one country to another this distinction will always exist.

It must, however, be observed, that when paper-money was introduced, and a nominal value was given to it as money of account, another element was introduced, which has exercised great influence over all the financial and industrial operations of the kingdom; the consequences of which have given rise to a great variety of theories on monetary science. It was the introduction of this element into our monetary system, under the Restriction Act of 1797, that completely changed all our previous laws relative to the nature of bullion and coin; and the computations of value, which had formerly been made in metallic money were now made in paper-currency; and it was in this circulating medium that the price of gold is estimated in the above table. The following statement shews the actual value of the paper pound estimated by the *market* value of gold bullion in such paper, from 1800 to 1821, when the Act of 1819, for the resumption of cash payments, was in operation, together with the amount of Bank-notes in circulation; it must, however, be observed, that the changes brought about during the years 1819, 1820, and 1821, were entirely the result of legislation, while those which occurred in previous years were produced by the natural order of the national transactions.

* See Evidence of Mr. Matthew Fletcher before Select Committee of the Lords, 1819, p. 240, Q. 32.

Years.	Average Price of Gold per Ounce.			Market Value of the Paper Pound in Gold.		Market Value per cent. of Paper Currency.			Average Circulation of Bank of England Notes.
	£	s.	d.	s.	d.	£	s.	d.	£
1800.....	3	17	10½	20	0.0	100	0	0	15,160,000
1801.....	4	5	0	18	3.8	91	12	4	15,810,000
1802.....	4	4	0	18	6.5	92	14	2	16,427,000
1803.....	4	0	0	19	5.6	97	6	10	16,500,000
1804.....	4	0	0	19	5.6	97	6	10	17,408,000
1805.....	4	0	0	19	5.6	97	6	10	16,876,000
1806.....	4	0	0	19	5.6	97	6	10	16,791,000
1807.....	4	0	0	19	5.6	97	6	10	16,705,000
1808.....	4	0	0	19	5.6	97	6	10	17,128,000
1809.....	4	0	0	19	5.6	97	6	10	18,917,000
1810.....	4	10	0	17	6.3	86	10	6	22,541,000
1811.....	4	4	6	18	5.1	92	3	2	23,282,000
1812.....	4	15	6	16	3.7	79	5	3	23,437,000
1813.....	5	1	0	15	5.4	77	2	0	24,023,000
1814.....	5	4	0	14	11.7	74	17	6	26,901,000
1815.....	4	13	6	16	7.8	83	5	9	26,887,000
1816.....	4	13	6	16	7.8	83	5	9	26,574,000
1817.....	4	0	0	19	5.6	97	6	10	28,274,000
1818.....	4	0	0	19	5.6	97	6	10	27,221,000
1819.....	4	1	6	19	1.3	95	11	0	25,227,000
1820.....	3	19	11	19	5.8	97	8	0	23,569,000
1821.....	3	17	10½	20	0.0	100	0	0	22,471,000

The following is an abstract of the Act of 1819, commonly known as Sir Robert Peel's Act, from the influence he exercised in passing it through Parliament. But it will be seen that it only has reference to the Bank of England, and, therefore, could exercise very little influence over other banks of issue, either as regards their solvency, or what is called the general convertibility of bank-notes.

Act 59 Geo. III. cap. 49, passed July 2nd, 1819.

An Act to continue the Restrictions contained in several Acts on payments in cash by the Bank of England, until the 1st day of May, one thousand eight hundred and twenty-three, and to provide for the gradual resumption of cash-payments; and to permit the exportation of gold and silver.

Sect. 1. Sets forth the object of the Act, and continues the restriction of cash-payments by the Bank until the 1st of May, 1823; and after that date the Bank to resume payments in cash.

2. Requires the Bank to pay its notes in *gold*, on demand, at the rate of £4 1*s.* per ounce, from February 1st to October 1st, 1820.

3. Requires the Bank to pay its notes in *gold*, on demand, at the rate of £3 19*s.* 6*d.* per ounce, from October 1st, 1820, to May 1st, 1821.

4. Requires the Bank to pay its notes in *gold*, on demand, at the rate of £3 17*s.* 10½*d.* per ounce, from May 1st, 1821, to May 1st, 1823.

5. The Bank is permitted to pay its notes in *gold*, on demand, at a less

rate than £4 1*s.* per ounce, from February 1st to October 1st, 1820, and between October 1st, 1820, and May 1st, 1821, at less than £3 19*s.* 6*d.*, but not less than £3 17*s.* 10½*d.* per ounce, by giving three days' notice in the *London Gazette*, specifying the particular rates at which the payments shall be made.

6. Payments only to be made in *ingots* or *bars* of *sixty* ounces of standard fineness.

7. Sums of less than 40*s.* to be paid in silver coin.

8. The Bank may pay in the *coin* of the realm from May 21st, 1822.

9. The Bank is required to deliver weekly accounts to *Government*, and to publish *quarterly* statements of its accounts in the *London Gazette.*

10. The gold and silver *coin* of the realm may be melted down, manufactured, and exported, without any restriction or penalty.

11. All the Acts which prohibited the melting or exportation of gold and silver, from the 9th of King Edward the Third to the 13th and 14th of Charles the Second, repealed.

12. Oaths respecting the export of silver, and so much of the 6th and 7th of William the Third as prevented persons, not being a trading goldsmith or refiner of silver, from buying or selling silver bullion, under a penalty of six months' imprisonment, abolished.

13. Clipping or diminishing the coin of the realm subject to penalty.

It must not be omitted here to notice, that the above Act was passed not only in opposition to the wishes of a very intelligent and influential part of the community, but also against the expressed opinions of the Directors of the Bank, who addressed a memorial to Government on the subject. As this document is one of great weight in the consideration of the changes then made in our monetary system, a few extracts will be given. The object of Ministers at that day was to bring the *nominal* value of the paper currency to the same value as a *gold* currency, which could not be done in any way but by diminishing the notes in circulation; and this is what the act of 1819 purported to accomplish, in direct opposition to the opinions of the Directors, who said,—

" In the *first* place, it appears that, in the view of the committees, the measure of the Bank recommencing cash-payments on the 5th July next, the time prescribed by the existing law, *is utterly impracticable*, and would be entirely inefficient, if *not ruinous!*

" *Secondly*, it appears that the two committees have come to their conclusion at a period when the outstanding notes of the Bank of England did not much exceed £25,000,000; when the price of gold is £4 1*s.* per ounce; and when there is *great distress, from the stagnation of commerce, aad the fall of prices of imported articles.*"

As the *principles* upon which this Act was based remain a disputed point to the present day, and will probably be firmly adhered to in any future legislation on the Bank of England Charter, by a section of those appointed to examine the subject, it is desirable that the real bearings of it should be clearly understood. The Bank of England, at the time of passing this Act, was under the necessity of purchasing *gold bullion* in the markets of Europe, as the Directors state, at £4 1*s.* per ounce; but in their promissory notes, payable *on demand*, they stipulated to receive such notes in exchange under this Act,

at the rate of £3 17*s.* 10½*d.* per ounce; or in the proportion of 934½ pieces of the denomination of a *sovereign*, to every 20 lbs. troy of standard gold; which gave to each sovereign a weight of 123 grains, and two hundred and seventy-four out of one thousand parts of a grain* (123.274). It may be seen, therefore, that the object of the Act of 1819 was to effect by legislation what was practically impossible, namely, to assimilate the nominal value of the Bank-note to the Mint regulations (not Mint price) of the *gold coinage*. The following remarks of the Bank Directors on this point are as valuable now as when they were written:—

"But when the Directors are now called upon, in the new situation in which they are placed by the Restriction Act, to procure a fund for supporting the *whole national currency*, either in *bullion* or in coin; and when it is proposed that they should effect this measure within a given period, by regulating the *market price* of gold by a *limitation* of the amount of the issue of Bank-notes, with *whatever distress such limitation may be attended to individuals, or to the community at large*, they feel it their bounden and imperious duty to state their sentiments thus explicitly, in the first instance to His Majesty's Minister on this subject, that a *tacit consent and concurrence at this juncture may not, at some future period, be construed into a previous implied sanction on their part of a system which they cannot but consider fraught with very great uncertainty and risk.*"

The Directors further state in the same memorial, that

"When a system is recommended, which seems to take away from the Bank anything like discretionary consideration for the necessities and distresses of the commercial world, if the Directors withhold their previous consent, it is not from a want of deference to His Majesty's Government, or to the opinions of the committees of the Houses of Parliament, but solely from a serious feeling that they have no right whatever to invest themselves, with their own accord, with the responsibility of countenancing a measure, in which the *whole community* is so deeply involved; and possibly to compromise the *universal interests of the Empire* in all the relations of Agriculture, Manufactures, Commerce, and Revenue, *by a seeming acquiescence or a declared approbation on the part of the Bank of England.*"

It would have been impossible to have given a more rational and argumentative condemnation of the Act of 1819, founded upon the most extended and practical knowledge of its bearings and its consequences, than is stated in the document here quoted.

In the year 1822 Government proposed to the Bank that the exclusive privilege of Partnership should be given up; which was acceded to, on condition that the Charter, in other respects, should be continued for ten years longer; but the proposal was ultimately abandoned, which drew forth a powerful remonstrance from the country bankers, who presented a petition through Mr. Pascoe Grenfell. This gentleman stated in the House of Commons, that the most determined objections to continue the monopoly beyond 1833, existed in all parts of the country; and looking to the immense profits of the Bank, amounting to £25,000,000 in as many years, he was astonished that the

* See Report of Royal Mint, 1849, p. 117.

Government should have consented to a renewal of the Bank Charter. On the passing of the Bill of 1819, estimates had been formed by some of its supporters, as to the effect it would produce upon the general prices of merchandize, &c.; amongst those persons Mr. Ricardo was regarded as the best authority. This gentleman had based his opinions upon a fallacy so remarkable, that it deserves special notice. In returning to cash-payments, he assumed that a diminution of Bank of England notes would suffice to rectify an unfavourable exchange with foreign countries; and that the prices of commodities would only be effected to an extent equal to the difference between the *market price* and the *Mint value* of gold, or about *four per cent.* These opinions were strongly opposed by Mr. Baring (the late Lord Ashburton), Mr. Attwood, and others, who affirmed that the alteration in prices could not be estimated upon any such calculations; but that they must be regulated by the effect which the Government measure would produce upon the *entire note circulation* of the kingdom, and not by the trifling difference between the market price and the Mint value put upon *gold;* and by such an estimate the probability was, that a reduction in prices would range from 25 to 50 per cent. The predictions of these gentlemen were not long before they were practically fulfilled; for in 1822, such was the distress and embarrassment that prevailed, that the Government measure of withdrawing from circulation all notes under £5 after the year 1824, was superseded by a Bill passed in April, 1822, called the *Small Note Act*, by which country bankers were permitted to issue such notes until the year 1833; this measure received so much support from the House of Commons, that only *six* dissentients were recorded. Some idea may be formed of the influence of the Bill of 1819 upon prices, by a reference to the quotations of public securities. In April, 1818, Consols stood as high as 82; in May, 1819, they declined to 64⅞; in June of the following year they advanced to 70¼, but in September, again fell to 65⅝; after the extension of the note circulation in 1822, the price rose to 83 in October; to 85¾ in December, 1823; and to 96⅞ in April, 1824. Bank Stock, which had not fallen below 235 in 1822, fell in 1823 to 204, being a decline of 31 per cent.; while the dividend was reduced from 10 per cent., at which it had stood for sixteen years, to 8 per cent. per annum. One of the contracts entered into by the Bank in 1823, was the purchase of what is called the "Dead Weight" Annuity, which consisted of naval and military pensions, and other superannuation allowances, due at the end of the war against France; when the Bank undertook the payment of these claims, on receiving from Government an annuity of £585,740 for 44 years, from the 5th of April, 1823, which will, therefore, expire in 1867. The policy of this transaction has been differently viewed, both as regards the Government and the Bank. As respects the former, it has been advanced, that the greater portion of the pensions and claims on the Government would long since have lapsed; and with regard to the latter, it has been considered as acting contrary to the true principles of banking; though Mr. Norman, one of the Directors, has said that the security is equal to that of Exchequer Bills; but this assertion is very much to be doubted; for it has been shewn in evidence before parliamentary committees, that in time of pressure on the Bank, unsuccessful attempts have been made to negociate a part.

The increase in the note circulation, under the *Small Note Act*, soon began to produce its effects; for both the Bank of England and country banks greatly extended their issues; and in 1823 the prices of commodities gradually advanced from their late depression; the interest on a part of the Public Debt was reduced from 5 to 4 per cent., and on smaller stock to 3½ per cent. This caused great complaints amongst the annuitants, who found their means of living thus reduced; and the Bank advanced £5,000,000 for their accommodation, to be repaid in quarterly instalments. Many of them, dissatisfied at the alteration, sold out, and embarked their money, in what they considered, a more profitable means of investment. There were not wanting speculators who saw a rich harvest to be gathered from this change. Every branch of industry had steadily increased during 1823 and 1824; but a change in this state of things was closely at hand. The Bank had done its best to provide specie for the whole of the paper issues under the Act of 1819; and in January, 1824, it had £14,200,000 in its coffers. But the increased circulation of country bank-notes, under the *Small Note Act*, could not harmonize with the Act of 1819, when brought into contact with the speculations now about to be introduced; which soon assumed every possible shape that could attract the attention of the public; and that prosperity, which had created a new phase in society, was shortly afterwards to be converted into darkness, distress, and dismay. Attempts have been made to shew that the country bankers were the primary cause of these disasters; but an examination of the facts prove, incontestably, that this assertion has no foundation in truth. The joint-stock mania that had sprung up, particularly in regard to foreign projects; the dissentients who had converted their public securities into money to be otherwise employed; and the various schemes set on foot by cunning speculators, all acted upon the large amount of bullion in the hands of the Bank. The Directors, seeing the danger to which they were exposed, called upon Government to rescind the Act, by which the small note circulation had been extended to 1833, contracting its own circulation at the same time as rapidly as possible.

It was in the direction of Mexico that a flood of wealth was to emanate sufficient to enrich all the world; and the less that was really known about any proposed scheme, the more successful was its influence over the public mind. Some idea may be formed of the extent to which foreign projects were carried in the shape of loans at this period, independent of other schemes, as if England were called upon to regenerate the whole word. The following is a list of such foreign loans contracted from 1821 to 1825, with the names of the contractors:—

		£	*Contractors.*
1821	Spain	1,500,000	A. F. Haldimand.
1822	Prussia	3,500,000	N. M. Rothschild.
	Russia	3,500,000	Ditto.
	Colombia	2,000,000	Herring & Co.
	Chili	1,000,000	Hullett, Brothers.
	Peru	450,000	Frys & Chapman.
		£10,450,000	
1823	Spain	1,500,000	J. Campbell & Co.
	Portugal	1,500,000	B. A. Goldschmidt.
	Austria	3,500,000	N. M. Rothschild.
		£6,500,000	

1824	Naples	2,500,000	N. M. Rothschild.
	Greece	800,000	Loughnan & Co.
	Brazil	3,686,000	T. Wilson & Co.
	Buenos Ayres	1,000,000	Baring Brothers.
	Columbia	4,750,000	B. A. Goldschmidt.
	Mexico	3,200,000	Ditto.
	Peru	750,000	Frys & Chapman.
		£16,686,000	
1825	Denmark	3,500,000	T. Wilson & Co.
	Greece	2,000,000	Messrs. Ricardo.
	Brazil	2,000,000	N. M. Rothschild.
	Guatemala	1,428,571	J. & A. Powles.
	Guadalaxara	600,000	W. Elward & Co.
	Mexico	3,200,000	Barclay, Herring, & Co.
	Peru	616,000	Frys & Chapman.
		£13,344,571	
	Total of five years	£48,480,571	

To these amounts were added hundreds of millions required for other projects. Economists of different opinions have endeavoured to discover the true cause of the wide-spread misery that succeeded the previous period of prosperity. Many could see no other than the great addition made to the country bank note circulation, which was increased from £4,293,000 in 1822, to £8,775,000; while that of the Bank of England had risen from £17,768,000 to £20,975,000 in the same time. In November, 1825, the Bank began to be drained of large quantities of its bullion, for export; the mercantile discounts were in consequence greatly curtailed; alarm soon spread in all directions; and banking firms, of equal solvency with the Bank of England, were refused accommodation. This step was not long taken before it aggravated the evil it was intended to allay; and country bankers from all parts besieged the banks in London for assistance; so that parties were found rushing one upon another, like a bewildered mass of human beings, endeavouring to escape from a building in flames. In short, had England been visited by an earthquake, greater dismay and distress would not have been found to exist amongst the people. *Francis*, in his History of the Banks, speaking of the failure of the bank of Sir W. Elford at Plymouth, says, "there was literally a whole population, with *food in abundance staring them in the face*, unable to procure it, as nothing but *gold* would be taken." The country bankers, as a matter of course, were the first to succumb to the storm; then the private bankers in London, before its consequences were felt by the Bank of England, which never, in its history, had before experienced the full influence of a universal pressure upon its metallic resources. And it is probably the most convincing proof of a very general opinion, that the issuing of *small* notes, which had been assigned as the primary cause of this national evil, was the only remedy by which the torrent of distress and despair could have been arrested in its progress. The Messrs. Gurney, of Norwich, who were aware of this influence, succeeded at once in staying alarm, by placing a large pile of Bank of England *one pound notes* upon their counter. On the 17th of December the Bank had only £1,027,000 of specie in its coffers; and Lord Ashburton, in his pamphlet published in 1848, says, "Although the *published* returns shewed a result rather less scandalous, a *certain Saturday night closed with nothing worth mentioning remaining.*"

No sooner, however, had the country recovered from this convulsion, than the issue of small notes was again prohibited, by repealing the Act in 1826. It was nevertheless seen, that by allowing the Bank of England to become the sole depository of cash, and imagining that the notes issued by other banks could be convertible through its agency, was a great error. The panic, if it did no more, paved the way for passing the Joint-Stock Bank Act of 1826, and led to an improvement in the management of the Bank of England; the Directors were also informed by the Chancellor of the Exchequer, that if the Bank desired an extension of the Charter beyond 1833, as the price of conceding a portion of its existing privileges, "*Such privileges were out of fashion.*"

These changes having been made, the next renewal of the Bank Charter was in 1833; but in the year 1832, owing to the political excitement of the people respecting the Reform Bill, in consequence of the opposition to it in the Lords, riots of a fearful kind broke out in different parts of the country; and those who remember the scenes which took place in the metropolis can form a true notion of an inflamed multitude when once raised to a pitch of excitement. The most inveterate indignation was expressed towards the Duke of Wellington, and every open space in the metropolis was placarded with, "*Stop the Duke! Go for gold!*" The evil, however, was only temporary. The Charter was renewed in 1833 by 3 & 4 Will. IV. cap. 98, and extended to 1855, but with a proviso that it should cease in August, 1845, upon twelve months' notice being given, and repayment of the debt due by the State. Several important changes were introduced into this Act. By the third section, the exclusive privilege of the Bank, with regard to partnership exceeding *six persons*, was abolished. Persons discounting bills of exchange or promissory notes were not to be subject to the penalties of the usury laws. Bank of England notes were first made a *legal tender*, for all sums *above* £5, except at the Bank or its branches, so long as it continued to pay its notes on demand in *gold coin*. Country joint-stock banks were first allowed agents in London. By this Act *one-fourth* of the debt due to the Bank, namely, £3,676,700, was to be paid off, which was effected by a transfer of £4,080,000 in 3 per cent. Reduced Annuities for the amount. The Bank was also to deduct £120,000 per annum from the charge of managing the Public Debt. The accounts were, in pursuance of the Act, to be published *quarterly* in the London Gazette.

In glancing over the rate of dividends paid by the Bank, as shewn in the APPENDIX, it will be seen that the profits of the Corporation were greatest during the periods of war and loans; the rate of dividend being 7 per cent. from 1801 to 1806; and from that date to 1822 it was 10 per cent. By a return of the Bank, dated June 30th, 1832, the aggregate sum distributed in dividends, from 1790 to 1831 inclusive, was £46,016,526, and in bonuses £5,530,140, making a total of £51,546,666, or an annual average of about £1,227,300.

In 1844 the Charter was again renewed for a period of ten years, on twelve months' notice being given *after* the 1st day of August, 1855. This Act can scarcely be said to refer simply to the "privileges" of the Bank alone, inasmuch as it contains clauses which completely changed the entire monetary system of England. The professed object of these changes, as stated by Mr.

Henry Goulburn, then Chancellor of the Exchequer, was "to prevent, as much as possible, fluctuations in the currency, of the nature of those which have at different times occasioned hazard to the Bank, and embarrassment to the country." But the principal alteration in this Act was the separation of the *Issue* from the *Banking* department, an alteration which has, to the present moment, given rise to the most varied opinions amongst those who oppose and those who support the measure. That the Act has failed to prevent fluctuations in the currency it needs no argument to prove; for in the crisis of October, 1847, this separation of the Bank into two departments was thoroughly tested; and but for the interference of Government, it has been admitted by Mr. Morris, the Governor, in his evidence before the Lords' Committee, that though the Bank held £8,439,000 in bullion, and a reserve of £1,600,000 in notes, on the 30th of October, 1847, had the Bank been called upon for *notes* beyond that amount, it must have *stopped payment*,* notwithstanding the large amount of bullion in its coffers. The causes, consequences, and facts of the panic of that year have been so extensively treated upon by various writers, especially by *D. M. Evans*,† that it is unnecessary to enlarge upon them here; and the influence which this state of things produced upon the Government of that day will be well understood by the following letter, addressed to the Governor and Deputy-Governor of the Bank of England, by Lord John Russell, Premier, and Sir Charles Wood, Chancellor of the Exchequer:—

"*Downing-Street, Oct. 25th*, 1847.

"GENTLEMEN,

"Her Majesty's Government have seen, with the deepest regret, the pressure which has existed for some weeks upon the commercial interests of the country, and that this pressure has been aggravated by a want of that confidence which is necessary for carrying on the ordinary dealings of trade.

"They have been in hopes that the check given to transactions of a speculative character, the transfer of capital from other countries, the influx of bullion, and the feeling which a knowledge of these circumstances might have been expected to produce, would have removed the prevailing distrust.

"They were encouraged in this expectation by the speedy cessation of a similar state of feeling in the month of April last.

"These hopes have, however, been disappointed, and Her Majesty's Government have come to the conclusion, that the time has arrived when they ought to attempt, by some extraordinary and temporary measure, to restore confidence to the mercantile and manufacturing community.

"For this purpose they recommend to the Directors of the Bank of England, in the present emergency, to enlarge the amount of their discounts and advances upon approved security; but that, in order to retain this operation within reasonable limits, a high rate of interest should be charged.

"In present circumstances, they would suggest that the rate of interest should not be less than 8 per cent.

"If this course should lead to any infringement of the existing law, Her Majesty's Government will be prepared to propose to Parliament, on its meeting, a Bill of Indemnity. They will rely upon the discretion of the Directors to reduce, as soon as possible, the amount of their notes, if any extraordinary issue should take place, within the limits prescribed by law.

"Her Majesty's Government are of opinion that any extra profit derived from this mea-

* Lords' Report, Q. 22.
† The *Commercial Crisis*, 1847-8. Letts, Royal Exchange.

sure should be carried to the account of the public, but the precise mode of doing so must be left to future arrangement.

"Her Majesty's Government are not insensible of the evil of any departure from the law which has placed the currency of this country upon a sound basis; but they feel confident that, in the present circumstances, the measure which they have proposed may be safely adopted, and at the same time the main provisions of that law, and the vital principle of preserving the convertibility of the Bank-note, may be firmly maintained.

"We have the honour to be, Gentlemen,

"Your obedient humble servants,

(Signed) "J. RUSSELL.

"CHARLES WOOD."

"The Governor and Deputy-Governor
of the Bank of England."

By this Act the power of the Bank to issue its notes was regulated as follows, namely, that a sum, equal to £14,000,000, should be issued on Government securities, of which the *debt* due to the Bank, amounting to £11,015,100, should form a part, and the remainder to consist of other securities, amounting to £2,984,900; any excess of this sum in the issues to be represented by gold and silver coin and bullion, the proportion of the latter to be only *one-fourth* of the whole amount of the metallic security. The mode of making up the account will be best understood by the following return, which was the first one published under the Act:—

Bank of England account for the week ending September 7, 1844.

ISSUE DEPARTMENT.

	£		£
Notes Issued	28,351,295	Government Debt	11,015,100
		Other Securities*	2,984,900
		Gold Coin & Bullion	12,657,208
		Silver Bullion	1,694,087
	£28,351,295		£28,351,295

BANKING DEPARTMENT.

	£		£
Proprietors' Capital	14,553,000	Government Securities (including Dead Weight Annuity)	14,554,834
Rest	3,564,729	Other Securities	7,835,616
Public Deposits (including Exchequer, Saving Banks, Commissioners of National Debt, and Dividend Accounts)	3,630,809	Notes	8,175,025
Other Deposits	8,644,348	Gold and Silver Coin	857,765
Seven day and other Bills	1,030,354		
	£31,423,240		£31,423,240

This return, to persons unaquainted with the law, requires explanation. The "*Notes Issued*," on the debit side of the Issue Department, is calculated to mislead; for it does not represent the notes in *circulation*, but

* In accordance with the 5th Section of the Act, these securities have been increased by £475,000 by an order in Council dated December 13, 1855; being equal to *one-third* the amount of notes ceased to be issued by other banks since the passing of the Act of 1844. Since then other banks have ceased to issue notes amounting to £111,020.

simply the extreme limit of the *power* to issue at such a date. The form does not exhibit the actual notes in the hands of the public, except by an operation of figures, taken from the *Banking* Department, where on the credit side will be found "Notes £8,175,025," which if subtracted from £28,351,295 leaves £20,176,270, the sum in the hands of the public. As the bullion in the Bank diminishes, the "Notes" in the other Department diminish also, and hence the alarm at this last item when reduced to a low figure: and it has been considered by the highest authorities that the placing of the bullion in the Issue Department against the £14,000,000, which ought to be balanced by the Bank debt, and Government securities, is a great error, and one calculated to create much alarm about the bullion when no danger exists. The Act also limits the issues of all existing banks to a fixed amount, according to an average of *twelve weeks* preceding the 27th of April, 1844, under a penalty of forfeiting a sum equal to the excess. No new banks of issue can be established: and any banker ceasing to issue his own notes cannot re-issue such notes. The Bank to allow a deduction of £180,000 per annum from the charge of managing the Public Debt. These are some of the principal features of the Bank Act of 1844, of which the following is an epitome:—

THE BANK CHARTER ACT OF 1844. 7 & 8 VICTORIA, cap. 32. An Act to regulate the Issues of Bank Notes, and for giving to the Governor and Company of the Bank of England certain privileges for a limited period. [*19th July*, 1844.]

1. Preamble.

2. The separation of the issue from the Banking Department to commence on the 31st of August, 1844.

3. The proportion of silver bullion to gold not to exceed one-fourth.

4. All persons may demand notes for *gold bullion* at £3 17*s.* 9*d.* per ounce.

5. The Bank may increase securities in the Issue Department and issue additional notes equal to one-third of country notes, ceased to be issued.

6. Weekly returns of the Bank to be published.

7. The Bank to be exempt from stamp duty or composition on their notes.

8. The Bank to deduct £180,000 per annum on the charge for the Public Debt.

9. The Bank to allow the profits on increased circulation to Government.

10. New Banks of Issue prohibited.

11. Restrictions upon Banks of Issue.

12. Bankers ceasing to issue cannot re-issue their notes.

13. Limitation of Bank issues to a fixed amount.

Sect. 14, 15, and 16, regulate the Union of Bank partnerships.

17. Penalty on Banks issuing in excess.

18. Issuing Banks to render accounts.

19. Mode of ascertaining the average amount of bank notes of each banker in circulation during the first four weeks after the 10th October, 1844.

Concluding Remarks.

In the facts which have been given of the progress of the Bank of England through a long series of years, there are ample materials for forming a comprehensive view of the monetary system of England as it once was, and as it remains at present. It cannot be doubted that, on the first establishment of the Bank of England, it was almost a necessity of the State, owing to the discredit which then existed through the conduct of the Stuarts: and such was the position of the Government of that day, that it was only by appealing to corporate bodies, holding out to them some peculiar privileges, public credit could be restored. So far, therefore, the institution of the Bank of England became of national advantage, and the centre of the system around which all minor banks revolved. In the course of the Bank's career it has had to encounter great difficulties, in the midst of which it has stood forward with great courage to defend the State, and to maintain public credit. Time and circumstances have forced it to resign a portion of its privileges; which, however desirable in former days, could not now be permitted to exist. Further improvements still remain to be made; and like other institutions professing to be of public utility, it must submit to the reforms which conduce to the public welfare. The monetary system of this country is placed upon its trial. In the United Kingdom there is a great mixture of laws and regulations confounding and contradicting each other, all of which demand the most serious consideration of the country and the Legislature. It is not intended in this publication to lay down any particular system, but to place before the reader such facts as will enable him to form correct opinions upon the subject: for it must be evident to those who have examined it in all its bearings, that any alterations, to be nationally beneficial, must embrace the *whole system* of the United Kingdom, and have no other foundation than the PUBLIC GOOD.

A Copy of the ORIGINAL Charter of the Corporation of the Governor and Company of the Bank of England.

WILLIAM and MARY, by the grace of God, King and Queen of England, Scotland, France, and Ireland, Defenders of the Faith, &c., to all to whom these presents shall come, greeting. Whereas, in and by a certain Act, lately made in Parliament, intitled, An Act for granting to their Majesties several rates and duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors, for securing certain recompenses and advantages, in the said Act mentioned, to such persons as shall voluntarily advance the sum of fifteen hundred thousand pounds towards carrying on the war against France, it is, amongst other things, enacted, that, for and during the term of four years, commencing from the 1st day of June, in the year of our Lord 1694, there should be, throughout the kingdom of England, dominion of Wales, and town of Berwick-upon-Tweed, raised, levied, collected, and paid, for and upon the tonnage of all ships and vessels wherein, at any time or times, and for every time, during the said term of four years, there should be imported any goods or merchandizes into this kingdom of England, dominion of Wales, or town of Berwick-upon-Tweed, from any parts, places, or countries, in the said Act mentioned, and wherein, during the said term, there should be carried coastwise from any port, member, or creek, in the kingdom of England, dominion of Wales, or town of Berwick-upon-Tweed, unto any other port, creek, or member, within the said kingdom, dominion, port, or town, the several and respective rates, impositions, duties, and sums of money, in the said Act mentioned. And that, from and after the 17th day of May, which shall be in the year of our Lord God 1697, there shall be, throughout the said kingdom of England, dominion of Wales, and town of Berwick-upon-Tweed, raised, levied, collected, and paid, unto us, our heirs, and successors, for beer, ale, cider, and other liquors, certain additional rates or duties of excise, in the said Act particularly expressed. And that, weekly, to wit, on Wednesday in every week, if it be not a holiday, and, if it be, then the next day after that is not a holiday; all and every the moneys arising by the rates and duties by the said Act granted should be paid into the receipt of the Exchequer, under certain penalties therein mentioned. And that, yearly and every year, reckoning the first year to begin from the 1st day of June, in the year of our Lord 1694, the full sum of one hundred and forty thousand pounds, by or out of the said moneys to arise by the said several duties upon the tonnage of ships and vessels, and by the said rates and duties of excise, or any of them, and to be brought into the receipt of the Exchequer by weekly payments as aforesaid, in case the said weekly payments shall extend thereunto, should be the whole and entire yearly fund. And, in case the said weekly payments should not amount to one hundred and forty thousand pounds per annum, then the said weekly moneys, or payments, so far as the same will extend, should be part of the yearly fund for and towards the answering and paying of the several annuities, and other purposes in the said Act expressed. And, in case the said duties upon the tonnage of ships and vessels, and the said rates and duties of excise, or any of them, should, at any time or times, appear to be so deficient or low in the produce of the same, as that, within any one year to be reckoned as aforesaid, the weekly payments upon the said rates or duties, or any of them, shall not amount to so much as one hundred and forty thousand pounds, or to so much as shall be sufficient to discharge and satisfy the said several and respective annuities, and other benefits or advantages, by the said Act intended or appointed to be paid within or for the same year respectively, that then, and so often, and in every such case, the Commissioners of our Treasury, and the Under-Treasurer of the Exchequer now being, and the Treasurer and Under-Treasurer of the Exchequer, or Commissioners of the Treasury, for the time being, are thereby strictly enjoined and required, by virtue of the said Act, and without any farther or other warrant to be sued for, had, or obtained, from us, our heirs or successors, in this behalf, to cause every such deficiency to be made good, by applying, issuing, or paying, so much of any treasure or revenue belonging or to belong unto us, our heirs or successors, not being appropriated to any particular use or uses by any Act or Acts of Parliament, towards the discharging or paying of the said annuities, or other benefits or advantages, appointed to be paid by the said Act, as, together with the

moneys which shall have been brought into the said receipt, of or for the said several rates or duties, shall be sufficient to pay off and discharge, and shall completely pay off and discharge, all the moneys which, within the same year, respectively, shall be grown due, or ought to be paid, upon the said annuities, or other benefits or advantages, according to the true intent and meaning of the said Act. And it is thereby farther enacted, that it should and might be lawful to and for us, by commission under the great seal of England, to authorize and appoint any number of persons to take and receive all such voluntary subscriptions as should be made on or before the 1st day of August, in the year of our Lord 1694, by any person or persons, natives or foreigners, bodies politic or corporate, for and towards the raising and paying into the receipt of the Exchequer the sum of twelve hundred thousand pounds, part of the sum of fifteen hundred thousand pounds in the said Act mentioned; and that the yearly sum of one hundred thousand pounds, part of the said yearly sum of one hundred and forty thousand pounds, arising by and out of the duties and impositions aforementioned, should be applied, issued, and directed, and is thereby appropriated, to the use and advantage of such person and persons, bodies politic and corporate, as should make such voluntary subscriptions and payments, their heirs, successors, or assignees; and that each weekly or other payment, arising by and out of the said duties and impositions, should, by the auditor of the receipt of the Exchequer, from time to time, as the same shall be paid in, be separated and divided into five-seventh parts and two-seventh parts; and that the said five-seventh parts of the said several payments, arising by and out of the duties and impositions aforesaid, and so set apart, shall be appropriated for and towards the payment and satisfaction of the said yearly sum of one hundred thousand pounds, and shall, from time to time, be issued and paid, as the same shall come into the said receipt of Exchequer, to the uses and advantages of such subscribers and contributors, their heirs, successors, or assignees, as should subscribe and contribute for and towards the raising and paying into the said receipt of Exchequer the said sum of twelve hundred thousand pounds; and that it should and might be lawful for us, by letters patent under the great seal of England, to limit, direct, and appoint, how and in what manner and proportions, and under what rules and directions, the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, and the said yearly sum of one hundred thousand pounds, part of the said yearly sum of one hundred and forty thousand pounds, and every or any part or proportion thereof, may be assignable or transferrable, assigned or transferred, to such person or persons only as shall freely and voluntarily accept of the same, and not otherwise, and to incorporate all and every such subscribers and contributors, their heirs, successors, or assignees, to be one body corporate and politic, by the name of the Governor and Company of the Bank of England, to have perpetual succession, and with such privileges and powers, and to be under such rules, as are therein mentioned, subject, nevertheless, to a certain proviso or condition of redemption in the said Act contained. And it is thereby farther enacted, that, in case the said whole sum of twelve hundred thousand pounds shall not be advanced and paid into the receipt of the Exchequer before the 1st day of January, which shall be in the year of our Lord 1694, that then the subscribers and contributors for and towards the raising and paying the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, their heirs, successors, and assigneees, shall only have and receive so much, and such part and proportion to the said sum and sums so respectively paid and advanced, as shall be after the rate of eight pounds per cent. per annum. And, for the better and more speedy payment of the said yearly sum of one hundred thousand pounds, the Commissioners of our Treasury, and the Under-Treasurer of the Exchequer, now being, and the High-Treasurer, and Under-Treasurer or Commissioners of the Treasury, for the time being, are thereby strictly enjoined and required by virtue of the said Act, and, without any farther or other warrant to be sued for, had, or obtained, from us, our heirs or succeesors, to direct their warrants yearly for the payment of the said yearly sum of one hundred thousand pounds to the contributors of the said sum of twelve hundred thousand pounds, in such manner and proportions as are therein directed and appointed, and the auditor of the receipt of our Exchequer, and all other officers of the Exchequer, now, and for the time being, are thereby directed and enjoined to issue the said moneys so set apart for the uses

aforementioned, from time to time, without any fee or reward, and under such penalties as are, by the said Act, to be inflicted. And, in the said Act is contained a proviso, that, in case the whole sum of twelve hundred thousand pounds, or a moiety thereof, should not be subscribed on or before the 1st day of August, 1694, aforesaid, that then the powers and authorities in the said Act for erecting a Corporation, as aforesaid, should cease and determine. And it is farther enacted, that any moneys, payable to any person or persons upon or by virtue of the said Act, shall not be charged or chargeable with any rates, duties, or impositions, whatsoever, as, in and by the said Act of Parliament, (amongst divers other matters and things therein contained, relation being thereunto had,) may more fully appear. And whereas, in pursuance of the said Act, we did, by our commission or letters patent, under the great seal of England, bearing date, at Westminster, the 15th day of June now last past, nominate, constitute, authorize, and appoint, our trusty and well-beloved Sir William Ashhurst, Knight, Mayor of our city of London, &c. [*Here follow the names of the Commissioners.*] to be our Commissioners to take and receive all such voluntary subscriptions as should be made on or before the said 1st day of August, in the year of our Lord 1694, by any person or persons, natives or foreigners, or by or for any body politic or corporate, for or towards the raising and paying the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, in the said Act mentioned, with power and direction to them, or such or so many of them, as are thereby authorized and appointed to take such subscriptions, and to do and perform such matters and things, in relation thereunto, as are thereby enjoined. And we did, in and by the same, promise and declare, that, in case the whole sum of twelve hundred thousand pounds, or the moiety or any greater part thereof, should be subscribed on the said Act, or in pursuance of the said commission, on or before the said 1st day of August then next ensuing, that then we, our heirs or successors, should and would, immediately after the said 1st day of August, or so soon as twelve hundred thousand pounds should be subscribed as aforesaid, (which of them should first happen,) grant and make forth our royal charter, or letters patent, under the great seal of England, and thereby incorporate all and every such subscribers and contributors who should be then living, and who should not have assigned their interest in their said subscriptions; and, in case any of them should be dead, the heirs of such subscribers; and, in case any of the said subscribers should have assigned their interest in their said subscriptions, in all such cases the assignees of such subscribers to be one body corporate and politic, by the name of the Governor and Company of the Bank of England, with such powers, capacities, privileges, benefits, liberties, and advantages, and under and subject to such rules, restrictions, power of redemption, provisoes, limitations, and clauses, as are therein mentioned or referred unto. And we did thereby for us, our heirs, and successors, declare, limit, direct, and appoint, that the whole sum or amount of all and every the sum and sums of money, as should be subscribed and paid as aforesaid, should be, and be called, accepted, esteemed, reputed, and taken a commom capital and principal stock, and all and every person and persons, his, her, and their heirs, successors, and assignees, according and in proportion to the sum or sums of money, by him, her, or them, respectively subscribed and paid thereunto, should have, and be deemed to have, an interest or share in the said principal stock, and of and in the yearly fund, granted by the said Act of Parliament as aforesaid, and that such interest or share, or any part thereof, should be assignable and transferrable, and should and might be assigned and transferred, by any person or persons entitled thereunto, to any other person or persons, and so over as fully and effectually as any other interest whatsoever is by law assignable, so as such assignments or transferrances should be made in writing, and be entered or registered in such manner as is hereafter mentioned, (that is to say,) all assignments or transferrances which should be made on or before the said 1st day of August next ensuing, or the full and complete subscribing of the said twelve hundred thousand pounds (which should first happen), and before the granting of these presents, were thereby directed to be entered or registered in the office of the auditor of the receipt of our Exchequer, within six days after the making of the said respective assignments; and all assignments, or transferrances, which should be made after the granting of this our charter of incorporation should be made, entered, and registered, in such form as should be prescribed in these presents. And in the said commission are contained several other

powers, directions, agreements, clauses, matters, and things, as in and by the same, relation being thereunto had, more fully and at large appears. And whereas it appears by duplicates transmitted into the office of the auditor of the receipt of our Exchequer, under the hands and seals of five or more of our said Commissioners, being a competent and sufficient number for that purpose, and made in pursuance of our directions in the said commission contained, that several sums, amounting, in the whole, to the sum of twelve hundred thousand pounds, have been subscribed, and the first fourth part thereof paid to our said Commissioners, or some of them, pursuant to the said Act of Parliament, on or before the 2nd day of July last past, by or for Sir William Ashhurst, Knight, Mayor of our city of London, &c. [*Here follow the names of the several subscribers.*] Now know ye, that we, being desirous to promote the public good and benefit of our people, which, in these presents are chiefly designed and intended, as well as the profit and advantage of all such as have subscribed and contributed according to the said Act of Parliament, and our said commission thereupon issued, their heirs, successors, and assignees, respectively, and in pursuance as well of the powers and clauses for this purpose, contained in the said Act of Parliament, as of our gracious promise and declaration, made in or by our said commission, or letters patent, under the great seal of England, whereby the subscriptions and contributions on the said Act have been promoted or encouraged, and by virtue of our prerogative royal, and likewise of our especial grace, certain knowledge, and mere motion, have given, granted, made, ordained, constituted, declared, appointed, and established; and, by these presents, for us, our heirs, and successors, do give, grant, make, ordain, constitute, declare, appoint, and establish, that the said Sir William Ashhurst, &c. [*Here the names of the said several subscribers are repeated*] and all and every other person and persons, natives and foreigners, bodies politic or corporate, who, over and above the persons before especially named, have, at any time or times before the making of these presents, subscribed and contributed any sum or sums of money towards the said sum of twelve hundred thousand pounds so subscribed, pursuant to the said Act, and our said commission, and have paid the fourth part thereof upon their said subscriptions, and who are now living or existent, and have not assigned their interest in the said subscriptions; and all and every the heirs and successors of any of the said original subscribers, who are now dead, and have not in their life-times assigned their interests in the said subscriptions, and the heirs and successors of such of the said assignees who are now dead, and did not in their life-times assign or part with their interest in the said stock and annual fund, and all and every person and persons, natives or foreigners, bodies politic and corporate, who, either as original subscribers of the said sum of twelve hundred thousand pounds so subscribed, and not having parted with their interests in their subscriptions, or as heirs, successors, or assignees, or by any other lawful title derived, or to be derived, from, by, or under, the said original subscribers of the said sum of twelve hundred thousand pounds so subscribed, or any of them, now have, or, at any time or times hereafter, shall have, or be entitled to, any part, share, or interest, of or in the principal or capital stock of the said Corporation, or the said yearly fund of one hundred thousand pounds, granted by the said Act of Parliament, or any part thereof, so long as they respectively shall have any such part, share, or interest, therein, shall be, and be called, one body politic and corporate, of themselves, in deed and in name, by the name of the Governor and Company of the Bank of England; and them by that name, one body politic and corporate, in deed and in name, we do, for us, our heirs and successors, make, create, erect, establish, and confirm for ever, by these presents; and, by the same name, they and their successors shall have perpetual succession, and shall and may have and use a common seal, for the use, business, or affairs, of the said body politic and corporate, and their successors, with power to break, alter, and to make anew, their seal from time to time, at their pleasure, and as they shall see cause. And, by the same name, they and their successors in all times coming shall be able and capable, in law, to have, take, purchase, receive, hold, keep, possess, enjoy, and retain, to them and their successors, any manors, messuages, lands, rents, tenements, liberties, privileges, franchises, hereditaments, and possessions, whatsoever, and of what kind, nature, or quality, soever; and, moreover, to purchase and acquire all goods and chattels whatsoever wherein they are not restrained by the said Act, and also to sell, grant, demise, alien, and dispose of, the same manors, messuages, lands, rents, tenements, privileges,

franchises, hereditaments, possessions, goods, and chattels, or any of them. And, by the same name, they and their successors shall and may sue and implead, and be sued and impleaded, answer and defend, and be answered and defended, in courts of record, or any other place whatsoever, and before whatsoever judges, justices, officers, and ministers, of us, our heirs and successors; and in all and singular pleas, actions, suits, causes, and demands, whatsoever, of what kind, nature, or sort, soever, and in as large, ample, and beneficial, manner and form as any other body politic and corporate, or any other the liege people of England, or other our dominions, being persons able and capable in law, may or can have, take, purchase, receive, hold, keep, possess, enjoy, sell, grant, demise, alien, dispose, sue, implead, defend, or answer, or be sued, impleaded, defended, or answered, in any manner of wise, and shall and may do and execute all and singular other matters and things, by the name aforesaid, that to them shall or may appertain to do, by virtue of the said Act or otherwise; subject, nevertheless, to the proviso and condition of redemption in the said Act mentioned, and to all and every other clauses, provisoes, and conditions, in the said Act contained. And we do hereby declare, that all persons, having any interest or part in the capital stock or fund of the said Corporation, either as original subscribers, or by assignments, or as heirs, or otherwise, shall be, and be, esteemed members of the said Corporation, and shall be admitted into the same, without any fee or charge whatsoever. And we do hereby, for us, our heirs and successors, declare, limit, direct, and appoint, that the aforesaid sum of twelve hundred thousand pounds, so subscribed as aforesaid, shall be, and be, called, accepted, esteemed, reputed, and taken, *the common capital and principal stock of the Corporation hereby constituted.* And all and every person and persons, his, her, and their heirs, successors, and assignees, according and in proportion to the sum or sums of money by him, her, or them, respectively subscribed as aforesaid, shall have, and be deemed to have, an interest or share in the said principal stock, and of and in the yearly fund of one hundred thousand pounds, granted by the said Act of Parliament. And we do hereby, for us, our heirs and successors, authorize, enjoin, and require the Commissioners of our Treasury, and Under-Treasurer of our Exchequer now being, and the High-Treasurer, Commissioners of the Treasury, and Under-Treasurer of us, our heirs and successors, for the time being, without any farther or other warrant to be had or obtained from us, our heirs or successors, to direct their warrants and orders, according to the said Act, for the payment of the said yearly sum of one hundred thousand pounds, by and out of the five-seventh parts (the whole into seven equal parts to be divided) of the moneys arising by the rates and duties granted by the said Act, and thereby appointed to be kept apart for the payment of the said yearly fund of one hundred thousand pounds, to the said Governor and Company of the Bank of England, and their successors for ever, under and subject, nevertheless, to the payment of the issues, fines, amerciaments, and debts, upon judgments against the said Corporation, according to the purport of the said Act. The first year to be reckoned to begin from the 1st day of June, in the year of our Lord Christ 1694; and we do hereby direct and enjoin the Commissioners of our Treasury, and the Treasurer, Commissioners of the Treasury, and Under-Treasurer of the Exchequer, and the Auditor of the receipt of our Exchequer, and all other the officers of the Exchequer, of us, our heirs and successors, now and for the time being, from time to time, to issue and pay the said five-seventh parts of the moneys arising by the duties granted by the said Act, or so much thereof as shall be sufficient for this purpose, to the said Governor and Company of the Bank of England, and their successors, by weekly payments or otherwise, as the same or any part thereof shall, from time to time, come into the receipt of the Exchequer, for and towards satisfaction of the said yearly sum of one hundred thousand pounds. And, in case five-seventh parts of the said weekly payments, in the said Act mentioned, and intended to be the yearly fund, for the recompense of the said subscribers, shall not amount unto so much as the yearly sum of one hundred thousand pounds, which is the annual fund thereby established for the said Corporation to receive; then we do hereby, for us, our heirs and successors, grant and agree to and with the said Governor and Company, and their successors, that five-seventh parts of the said weekly moneys or payments, so far as the same will extend, shall be part of the said yearly fund of one hundred thousand pounds; and in case the said duties, by the said Act granted, or any of them, shall at any time or times, appear to be so deficient or low in the produce of the same, as that within any one year, to

be reckoned from the 1st day of June as aforesaid, five-seventh parts of the weekly payments upon the same rates and duties, or any of them, shall not amount to so much as one hundred thousand pounds within or for the same year respectively, that then, and so often, and in every such case, we do hereby authorize, enjoin, and require, the Commissioners of our Treasury, and the Under-Treasurer of the Exchequer now being, and the Treasurer and Under-Treasurer of the Exchequer or Commissioners of the Treasury for the time being, of us, our heirs and successors, forthwith, and without any farther or other warrant to be sued for, had, or obtained, from us, our heirs or successors, in that behalf, to cause every such deficiency to be made good, by applying, issuing, or paying, so much of any treasure or revenue belonging, or to belong, to us, our heirs or successors, (not being appropriated to any particular use or uses, by any Act or Acts of Parliament,) towards the discharging or paying of the said yearly fund of one hundred thousand pounds, as, together with five-seventh parts of the moneys which shall have been brought into the receipt of the Exchequer of or for the said several rates or duties by the said Act granted, shall be sufficient to pay off and discharge, and shall completely pay off and discharge, the said yearly fund of one hundred thousand pounds, according to the true intent and meaning of the said Act and of these presents. And, for the better ordering, managing, and governing, the stock and other affairs of the said Corporation, and for the making and establishing a continual succession of persons to be Governor, Deputy-Governor, and Directors of the said Corporation, we do, by these presents, for us, our heirs and successors, grant unto the said Governor and Company of the Bank of England, and their successors, and do hereby ordain and appoint, that there shall be, from time to time, and for ever, (of the members of the said Company,) a Governor, Deputy-Governor, and twenty-four Directors, of and in the said Corporation; which Governor, Deputy-Governor, and Directors, or any thirteen or more of them, (of which the Governor or Deputy-Governor to be always one,) shall be, and be called, a Court of Directors, for the ordering, managing, and directing, the affairs of the said Corporation, and shall have such powers and privileges as are herein-after mentioned. And we do hereby nominate, constitute, ordain, and appoint, that Sir John Houblon, Knt. who is chosen for this purpose by a majority of the subscribers, having five hundred pounds each in the said capital stock, pursuant to certain clauses in our said commission contained, shall be the present and first Governor; and that Michael Godfrey, Esq., who is chosen in like manner, shall be the present and first Deputy-Governor; and that Sir John Huband, Bart., Sir James Houblon, Sir William Gore, Sir William Scawen, Sir Henry Furnese, Sir Thomas Abney, Sir William Hedges, Knts., Brook Bridges, James Bateman, George Boddington, Edward Clerke, James Denew, Thomas Goddard, Abraham Houblon, Gilbert Heathcote, Theodore Janssen, John Lordell, Samuel Lethieullier, William Paterson, Robert Raworth, John Smith, of Beaufort-buildings, Obadiah Sedgwick, Nathaniel Tench, and John Ward, Esqrs., who are severally chosen, in like manner, by a majority of like subscribers, shall be the present and first Directors of the said Corporation. And the said Governor, Deputy-Governor, and Directors, shall continue in their respective offices until the 25th day of March, which shall be in the year of our Lord 1696, and until others shall be duly chosen in their respective offices, and sworn into the same, unless they, or any of them, shall sooner die or be removed, as is hereinafter-mentioned. And we do farther, by these presents, for us, our heirs and successors, give and grant unto the said Governor and Company of the Bank of England, and we do hereby ordain, will, and appoint, that it shall and may be lawful to and for all and every the members of the said Corporation, or body politic, from time to time, to assemble and meet together at any convenient place or places for the choice of their Governor, Deputy-Governor, and Directors, and for the making of bye-laws, ordinances, rules, orders, or directions, for the government of the said Corporation, and for any other affairs or business concerning the same, public notice thereof being first given by writing, to be affixed upon the Royal Exchange in London two days at least before the time appointed for such meeting; and that all the members of the said Corporation, or so many of them as shall be so assembled, shall be, and be, called a General Court of the said Corporation, which Court shall meet and assemble at such times and in such manner as hereinafter is directed. And that all succeeding Governors, Deputy-Governors, and Directors, of the said Corporation, shall, from and after the 25th day of March, in the year of our Lord 1696, be yearly and successively chosen,

for ever, out of the members of the said Corporation, on some day or days, or times, between the 25th day of March and the 25th day of April in each year, by the majority of votes of all and every the members of the said Corporation, having then each of them in their own right five hundred pounds, or more, share or interest in the said capital stock and fund of the said Corporation, and who shall be personally present at such elections, each of them to have and give one vote, and no more; which succeeding Governors, Deputy-Governors, and Directors, so chosen, shall severally and respectively continue in their respective offices to which they shall be severally elected for one year, and till others shall be duly chosen and sworn into their places respectively. Provided nevertheless, that, in case of death, avoidance, or removal, of the Governor, Deputy-Governor, or any of the Directors, of the said Corporation, for the time being, the survivors of them, or the majority of those remaining in their office, shall and may at any time assemble together the members of the said Corporation, in order to elect other persons, by members qualified to vote in manner aforesaid, in the room of those dead, removed, or avoided; and that every Deputy-Governor (in the absence of the Governor) shall have the same power as a Governor. Provided nevertheless, and we do hereby will, ordain, constitute, appoint, and command, that no person or persons shall be, or be, esteemed, qualified, or capable, to be an elector to vote, or shall give any vote at any General Court, or otherwise, for an election of Governor, Deputy-Governor, or Directors, or any of them, or for or concerning the making of bye-laws, or in any other matters relating to the affairs or government of the said Corporation, who shall not, at the time of such General Court, have in his, her, or their, name and right, and for his, her, or their, own use, and not in trust for any other, five hundred pounds or more, share or interest in the said capital stock of the said Corporation: and who also shall not, at the time of holding any such General Court, take the oath hereinafter-mentioned, if required thereunto by any member or members of the said Corporation then present, having each five hundred pounds share or interest, at least, in the said capital stock, before the Governor, or Deputy-Governor, or any two or more of the Directors, of the said Corporation, viz., *I*, A. B., *do swear, that the sum of five hundred pounds, or more, of the capital stock of the body politic, called by the name of the Governor and Company of the Bank of England, doth at this time belong to me, in my own right, and not in trust for any other person or persons whatsoever.* And we do hereby constitute, ordain, and appoint, that no one member of the said Corporation shall, in any election of Governor, Deputy-Governor, Director, or other officer, of the said Corporation, or in any the business or affairs of the said Corporation, have or give any more than one vote, whatever his share or interest in the said capital stock shall be. Provided nevertheless, that any person or persons commonly called, or known to be, Quakers, who, at the time of holding such General Court, as aforesaid, shall have five hundred pounds interest or share, or more, in the said capital stock, and shall then (if thereunto required by any member or members of the said Corporation then present, having each five hundred pounds share or interest, at least, in the said capital stock) make and sign the following declaration, to wit, *I*, A. B., *do sincerely and solemnly declare, in the presence of God, that the sum of five hundred pounds, or more, of the capital stock of the body politic, called by the name of the Governor and Company of the Bank of England, doth at this time belong to me, in my own right, and not in trust for any other person or persons whatsoever*, shall be capable of having a vote at any General Court of the said Corporation. And we do, by these presents, for us, our heirs and successors, give full power and authority to the Governor, or Deputy-Governor, or any two or more of the Directors, of the said Corporation, for the time being, to give and administer the said oath and declaration to the said members; and do hereby order and direct them to administer the same accordingly. Provided farther, and we do hereby, for us, our heirs and successors, constitute, ordain, and appoint, that no person shall, at any time, be capable of being chosen a Governor of the said Corporation, unless he shall, at the time of such election, be a natural-born subject of England, or naturalized; and shall also then have in his own name, in his own right, and for his own use, four thousand pounds, or more, in the capital stock of the said Corporation. And that no person shall, at any time, be capable of being chosen Deputy-Governor of the said Corporation, unless he shall, at the time of such election, be a natural-born subject of England, or naturalized; and shall then also have in his own name, in his own right, and for his own use, three

thousand pounds, or more, in the capital stock of the said Corporation. And that no person shall be capable of being chosen a Director of the said Corporation, who shall not, at the time of such choice, be a natural-born subject of England, or naturalized; and shall also then have in his own name, in his own right, and for his own use, two thousand pounds, or more, in the said capital stock. And that no Governor, Deputy-Governor, or Directors, shall continue in his or their respective offices longer than the continuance of such their respective interests and stocks, in their own names and rights, and to their own uses, respectively; but, upon parting with or reducing his or their respective share or interest in the said capital stock, to any lesser sum or sums than as aforesaid, the said respective offices or places of such Governor, Deputy-Governor, or Directors, so parting with, reducing, or diminishing, their said shares or interests as aforesaid, shall cease, determine, and become vacant, and others to be chosen in their rooms by a General Court of the said Corporation. Provided also, and we do, by these presents, for us, our heirs and successors, will, ordain, and appoint, that the said Sir John Houblon, hereby nominated to be the first Governor, or any person hereafter to be chosen to the said office or trust of Governor of the said Corporation, shall not be capable of executing or acting in the said office or trust of Governor, at any time until he respectively shall have taken the oaths appointed to be taken by an Act made in the first year of our reign, entitled, An Act for the abrogating of the Oaths of Supremacy and Allegiance, and appointing other Oaths; and shall not be capable of executing of, or acting in, the said office or trust of Governor at any time or times hereafter, until he respectively shall have taken the corporal oath following, to wit, *I, A. B., do swear, that the sum of four thousand pounds of the capital stock of the body politic, called by the name of the Governor and Company of the Bank of England, whereof I am appointed or elected to be Governor, doth at this time belong to me in my own right, and not in trust for any person or persons whatsoever.* And likewise another oath in the form or to the effect following, that is to say, *I, A. B., being nominated or elected to be Governor of the Company of the Bank of England, do promise and swear, that I will, to the utmost of my power, by all lawful ways and means, endeavour to support and maintain the body politic or fellowship of the Governor and Company of the Bank of England, and the liberties and privileges thereof; and that, in the execution of the said office of Governor, I will faithfully and honestly demean myself, according to the best of my skill and understanding;* so help me, God. Which oaths, to the first and present Governor above-named, shall and may be administered by the Keeper of our Great Seal of England, or by the Chancellor of our Exchequer, or Chief Baron of the Court of Exchequer, or any of them, for the time being. And, to any future Governor, shall and may be administered by the Chancellor of England, or Keeper of the Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, of us, our heirs or successors, for the time being, or by the Governor or Deputy-Governor of the said Corporation for the last preceding year; or, in case a Deputy-Governor shall be then sworn into his office, then by such Deputy-Governor. And we do hereby, for us, our heirs and successors, direct, authorize, and appoint, the Chancellor of England and Keeper of the Great Seal of England, Chancellor of the Exchequer, and Chief Baron of the Court of Exchequer, or any of them, for the time being, or such preceding Governor, or preceding Deputy-Governor, or such Deputy-Governor so qualified as aforesaid, to administer the said oaths to every or any such person appointed or elected to be Governor of the said Corporation, as aforesaid. Provided also, and we do hereby, for us, our heirs and successors, will, ordain, and appoint, that the said Michael Godfrey, herein nominated, constituted, and appointed, to be the first Deputy-Governor, or any person hereafter to be chosen to the office or trust of Deputy-Governor of the said Corporation, shall not be capable of executing or acting in the said office or trust of Deputy-Governor, until he shall have taken the like oaths, *mutatis mutandis*, as are before prescribed to be taken by the Governor; which oaths, to the first Deputy-Governor above-named, shall and may be administered by the Keeper of our Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, or by the first Governor of the said Corporation, after himself shall be first sworn in as aforesaid. And, to any future Deputy-Governor, shall and may be administered, by the Chancellor of England, or Keeper of the Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, of us, our heirs or successors,

for the time being, or by the Governor or Deputy-Governor of the said Corporation for the preceding year; and they are hereby respectively authorized and directed to administer the said oaths to any Deputy-Governor accordingly. Provided also, and we do, by these presents, for us, our heirs and successors, will, ordain, and appoint, that none of the said Sir John Huband, Bart., Sir James Houblon, Sir William Gore, Sir William Scawen, Sir Henry Furnese, Sir Thomas Abney, Sir William Hedges, Knts., Brook Bridges, James Bateman, George Boddington, Edward Clerke, James Denew, Thomas Goddard, Abraham Houblon, Gilbert Heathcote, Theodore Janssen, John Lordell, Samuel Lethieullier, William Paterson, Robert Raworth, John Smith, of Beaufort-buildings, Obadiah Sedgwick, Nathaniel Tench, and John Ward, Esqrs., hereby nominated, constituted and appointed, to be the first twenty-four Directors of the said Corporation, or any other person or persons hereafter to be chosen to the office or trust of a Director of the said Corporation, shall be capable to execute or act in the said office of a Director, until he or they shall respectively have taken the oaths mentioned and appointed in and by one Act made in the first year of our reign, entitled, An Act for the abrogating of the Oaths of Supremacy and Allegiance, and appointing other Oaths; nor shall be capable to execute or act in the said office or trust of a Director, at any time or times hereafter, until he or they respectively shall have taken the corporal oath following, to wit:—*I*, A. B., *do swear, that the sum of two thousand pounds, of the capital stock of the body politic, called by the name of the Governor and Company of the Bank of England, whereof I am appointed or elected to be a Director, doth, at this time, belong to me, in my own right, and not in trust for any other person or persons whatsoever.* And likewise another oath, in the form or to the effect following, viz.—*I*, A. B., *do swear, that, in the office of a Director of the Corporation or Company of the Bank of England, I will be indifferent and equal to all manner of persons; and I will give my best advice and assistance for the support and good government of the said Corporation; and, in the execution of the said office of Director, I will faithfully and honestly demean myself, according to the best of my skill and understanding;* so help me, God. Which oaths, to the first twenty-four Directors herein nominated, and every of them, respectively, shall and may be administered by the said Keeper of our Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of our Court of Exchequer, or by the first Governor or Deputy-Governor hereinbefore-named, so as such first Governor or Deputy-Governor (in case they, or either of them, do administer the said oaths to the said Directors or any of them) be first sworn, as is before-mentioned. And the said oaths, to any future Director or Directors, shall and may be administered by the Chancellor of England, or Keeper of the Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, of us, our heirs or successors, for the time being, or any of them, or by a sworn Governor or Deputy-Governor of the said Corporation, for the time being, or by the Governor or Deputy-Governor for the preceding year; and they are hereby authorized and required to administer the said oaths to all and every such Director and Directors, from time to time, accordingly. Provided also, and we do, by these presents, for us, our heirs and successors, will, ordain, and appoint, that all and every the other Members of the said Corporation, having each five hundred pounds, or more, interest or share in the capital stock of the said Corporation, before he or they severally shall be capable to give any vote in any General Court to be held for the said Corporation, shall take the said oaths, appointed in and by the said Act of Parliament, made in the first year of our reign, entitled, An Act for the Abrogating of the Oaths of Supremacy and Allegiance, and appointing other Oaths, before the said Governor or Deputy-Governor of the said Corporation, for the time being, who are hereby respectively authorized to administer the same; and also the oath in the words, or to the effect following, that is to say, *I*, A. B., *do swear, that I will be faithful to the Governor and Company of the Bank of England, whereof I am a Member; and, in all General Courts, when and as often as I shall be present, will, according to the best of my skill and understanding, give my advice, counsel, and assistance, for the support and good government of the said Corporation;** so help me, God. Provided, nevertheless, that any person or persons, commonly called or known to be Quakers, having each five hundred

* See 24th Geo. III. chap. 24, sect. 21.

pounds, or more, interest or share in the capital stock of the said Corporation, before they shall be capable of voting in any such General Court as aforesaid, shall and may, instead of the oaths hereby prescribed to be taken by the respective Members, having each five hundred pounds, or more, as aforesaid, before the said Governor or Deputy-Governor, solemnly promise and declare, as in the presence of God, in words, or to the same effect *(mutatis mutandis)*, with the said oath last herein prescribed to be taken by the Members of the said Corporation, having five hundred pounds, or more, interest or share in the capital stock of the said Corporation, and shall severally subscribe the same, together with the declaration appointed, for such Dissenters as scruple to take oaths, by another Act, made in the first year of our reign, entitled, An Act for exempting their Majesties' Protestant Subjects, dissenting from the Church of England, from the Penalties of certain Laws; which declarations and subscriptions the said Governor and Deputy-Governor, for the time being, or either of them, are hereby empowered and required to take and administer. And, farthermore, our will and pleasure is, and we do hereby, for us, our heirs and successors, ordain and appoint, that the said Court of Directors shall have power and authority to administer an oath to all the inferior agents or servants that shall be employed in the service of the said Corporation, for the faithful and due execution of their several places and trusts in them reposed, in the words, or to the effect, following, that is to say,—*I, A. B., being elected into the office or place of Treasurer to the Governor and Company of the Bank of England, do swear, that I will be true and faithful to the said Governor and Company, and will faithfully and truly execute and discharge the said office or place of Treasurer to the utmost of my skill and power;* so help me, God: and the like oath to the other agents and servants, *mutatis mutandis.* And, in case any person hereby nominated, or hereafter to be elected, Governor, Deputy-Governor, or Director, as aforesaid, shall, for the space of ten days after such nomination or election, neglect or refuse to take the respective oaths hereby appointed to be taken as aforesaid, or shall refuse or neglect to take upon him his or their offices, that then, and in every such case, the office and place of every such person so neglecting or refusing shall become vacant, and others be chosen in their places by a General Court of the said Corporation. And we do hereby farther will and appoint, that no dividend shall, at any time, be made by the said Governor and Company, save only out of the interest, profit, or produce, arising by or out of the said capital stock or fund, or by such dealing, buying, or selling, as is allowed by the said Act of Parliament, until redemption by Parliament of the said yearly fund of one hundred thousand pounds; and that no dividend whatsoever shall, at any time, be made without the consent of the Members of the said Corporation, in a General Court, qualified to vote as aforesaid. And we do hereby will and appoint, that the said Governor, or, in his absence, the Deputy-Governor, for the time being, shall, from time to time, and are hereby required, upon such notice to be given, as aforesaid, to summon and appoint four General Courts, at least, in every year, whereof one to be in the month of September, another in the month of December, another in the month of April, and another in the month of July; and we do farther will and appoint, that if, at any time or times, there shall be a failure of holding a General Court in any of the said months, by the default of the Governor and Deputy-Governor, or either of them, that then, and so often, and in every such case, any three or more of the Directors of the said Corporation shall and may summon and call a General Court, which shall meet and be holden in the month next coming after the month in which the same should have been holden, upon the summons of the Governor or Deputy-Governor, as aforesaid. And, moreover, we do, by these presents, will, direct, and appoint, that the said Governor, or, in his absence, the Deputy-Governor, for the time being, shall, from time to time, upon demand to be made by any nine or more of the said Members, having each of them five hundred pounds, or more, interest or share in the said capital stock, within ten days after such demand, summon and call such General Courts, to be held of the said Members of the Corporation qualified for electors, as aforesaid: and, in default of the Governor or Deputy-Governor to summon and call such Court, it shall and may be lawful to and for the said nine or more Members, having each five hundred pounds stock, as aforesaid, upon ten days' notice in writing, to be fixed upon the Royal Exchange, in London, to summon and hold a General Court, and there to do and dispatch any business relating to the government or affairs of the said Corporation, and to hear and debate any

complaint that shall be made against any Governor, Deputy-Governor, or Directors, for the mismanagement of his or their respective offices. And if such Governor, Deputy-Governor, or Directors, shall not clear him or themselves of such complaint, to the satisfaction of the major part of the Members of the said Corporation, in the said General Court assembled, that then, within ten days, another General Court shall be called and held, as aforesaid, of the Members of the said Corporation, qualified to vote, as aforesaid, finally to determine the same by the majority of their votes, as aforesaid, who may remove or displace all or any of the said Governor, Deputy-Governor, and Directors, for such misdemeanors or abuse of their offices, and elect and choose others in his or their rooms, in the same manner as the said elections, between the 25th day of March and the 25th day of April, are hereinbefore directed to be made. And in every case where any Governor, Deputy-Governor, or Directors, shall happen to die, or be removed, or his office shall otherwise become void, before the expiration of the time for which he shall have been elected, the major part of the Members of the said Corporation to be assembled in a General Court, and, being qualified as aforesaid, shall and may elect and choose any other Member or Members of the said Corporation, qualified as aforesaid, into the office of such Governor, Deputy-Governor, or Director, that shall so die, or be removed, or whose office shall so become void; which person so to be chosen shall continue in the said office until the next usual time hereby appointed for election, and until others shall be duly chosen and sworn. And, for the better ordering and managing the affairs of the said Corporation, we do, by these presents, for us, our heirs and successors, grant unto the said Governor and Company of the Bank of England, and their successors, and we do, by these presents, will, authorize, and appoint, that the said Governor, Deputy-Governor, and Directors, for the time being, or any thirteen or more of them (of which the Governor or Deputy-Governor to be always one), shall and may, from time to time, and at all convenient times, assemble and meet together at any convenient place or places, for the direction and management of the affairs and business of the said Corporation, and then and there to hold Courts of Directors for the purposes aforesaid, and summon General Courts to meet as often as they shall see cause. And that the said Governor, Deputy-Governor, and Directors, or the major part of them, so assembled (whereof the Governor or Deputy-Governor is to be always one), shall and may act according to such bye-laws, constitutions, orders, rules, or directions, as shall, from time to time, be made and given unto them by the General Court of the said Corporation. And in all cases where such bye-laws, constitutions, orders, rules, or directions, by or from the General Court, shall be wanting, the said Governor, Deputy-Governor, and Directors, or the major part of them, so assembled, (whereof the Governor or Deputy-Governor is to be always one,) shall and may direct and manage all the affairs and business of the said Corporation, in the borrowing or receiving of moneys, and giving security for the same, under the common seal of the said Corporation; and in their dealing in bills of Exchange, or the buying or selling of bullion, gold, or silver, or in selling any goods, wares, or merchandizes, whatsoever, which shall really, and *bona fide*, be left or deposited with the said Corporation, for money lent or advanced thereon, and which shall not be redeemed at the time agreed, or within three months after, or in selling such goods as shall or may be the produce of lands, purchased by the said Corporation, or in the lending or advancing any of the moneys of the said Corporation, and taking pawns, or other securities for the same; and to choose and appoint the agents or servants which shall, from time to time, be necessary to be employed in the affairs or business of the said Corporation, and to allow and pay reasonable salaries and allowances to the said agents and servants respectively, and them, or any of them, from time to time, to remove or displace, as they shall see cause; and generally to act and do in all matters and things whatsoever, which by the said recited Act of Parliament shall or may be done, and in all matters and things whatsoever, which they shall judge necessary for the well ordering and managing of the said Corporation, and the affairs thereof; and to do, enjoy, perform, and execute, all the powers, authorities, privileges, acts, and things, in relation to the said Corporation, as fully, to all intents and purposes, as if the same were done by the Governor and Company of the Bank of England, or by a General Court of the same: subject, nevertheless, to such restrictions, limitations, rules, or appointments, as are contained in the said recited Act of Parliament, for or concerning the trade, business, or affairs, of the said Corporation,

or otherwise relating thereunto. And we do hereby, for us, our heirs and successors, give full power to all and every the said Members qualified for electors, as aforesaid, in their General Courts or assemblies aforesaid, by majority of their votes, as aforesaid, to make and constitute such bye-laws and ordinances, for and relating to the affairs and government of the said Corporation, and the imposing mulcts and amerciaments upon offenders against the same, as to them shall seem meet, so that such bye-laws be not repugnant to the laws of this our kingdom, and be confirmed and approved, according to the statutes in such case made and provided. All which mulcts and amerciaments shall and may be received and recovered to the only use and behoof of the said Governor and Company of the Bank of England, and their successors, without any account, or other matter or thing, to be therefore rendered to us, our heirs or successors. And also to allow such salaries or allowances to the said Governor, Deputy-Governor, and Directors, as to them shall seem meet. And we do hereby, for us, our heirs and successors, ordain and appoint, that the first General Court for the said Corporation shall be held within the space of twenty-eight days next after the date of these presents. Provided always, and for the ascertaining and limiting how, and in what manner, and under what rules, the said capital stock, and yearly fund of one hundred thousand pounds shall and may be assignable and assigned, transferable and transferred, by such person and persons as shall, from time to time, have any interest or share in the same; we do hereby direct and appoint, that there shall be constantly kept, in the public office of the said Governor and Company of the Bank of England, a register, or book or books, wherein all assignments and transfers shall be entered. And we do hereby, for us, our heirs and successors, pursuant and according to the power given unto us by the said Act of Parliament, order, limit, direct, and appoint, that the method and manner of making all assignments and transfers of the said capital stock and yearly fund, or any part thereof, shall be by an entry in the said book or books, signed by the party so assigning or transferring, in the words, or to the effect, following, viz., Memorandum, *That I,* A B , *this day of in the year of our Lord do assign and transfer of my interest or share in the capital stock and fund of the Governor and Company of the Bank of England, and all benefits arising thereby, unto , his heirs and assigns. Witness my hand,* . Or in case the person assigning be not personally present, then by an entry in the said book or books, signed by some person thereunto lawfully authorized, by letter of attorney, or writing under hand and seal, attested by two or more witnesses, in the words, or to the effect, following, viz., Memorandum, *That I,* A. B., *this day of in the year of our Lord by virtue of a letter of attorney, or authority under the hand and seal of dated the day of in the said year do, in the name and on the behalf of the said assign and transfer of the interest or share of the said in the capital stock and fund of the Governor and Company of the Bank of England, and all benefits arising thereby, unto , his heirs and assigns. Witness my hand,*
Under which transfer the person or persons, bodies politic or corporate, to whom such assignment or transfer shall be made, or some other person by him or them lawfully authorized thereunto, shall sign his or their name or names, attesting that he or they do freely and voluntarily accept of the same. And that the entry, signed as aforesaid, and no other way or method, shall be the manner and method used in the passing, assigning, or transferring, the interest or share in the said capital stock or fund; and such transfer or assignment shall be good and available, and convey the whole estate and interest of the party transferring, or ordering the same to be transferred. Provided always, that any person, having any share or interest in the said capital stock or fund, may dispose or devise the same, by his last will and testament, attested by three or more credible witnesses. But, however, that such devisee shall not transfer the same, or be entitled to receive any dividend, until an entry or memorandum of so much of the said will, as relates to the said stock or fund, be made in the book or books, or some other book or books, to be kept by the said Governor and Company for that purpose. And we do hereby will and appoint, that the said Governor, or, in his absence, the Deputy-Governor, shall not have any vote in a General Court or Courts of Directors, save where there shall happen to be an equality

or equal number of votes. Provided, nevertheless, that all matters and things which the said Governor, Deputy-Governor, or Directors, shall, in manner as aforesaid, order and direct to be done by sub-committees, or other persons appointed under them, shall and may (by virtue of such orders) be done by the said sub-committees or other persons so appointed. And we do, for us, our heirs and successors, grant and declare, that these our letters patent, or the enrolment thereof, shall be in and by all things valid and effectual in the law, according to the true intent and meaning of the same; and shall be taken, construed, and adjudged, in the most favourable and beneficial sense, for the best advantage of the said Corporation, as well in our courts of record as elsewhere, notwithstanding any non-recital, mis-recital, defect, uncertainty, or imperfection, in these our letters patent. And our will and pleasure is, that these presents to the Governor and Company aforesaid, under the great seal of England, shall be in due manner made and sealed without fine or fee, great or small, to us, in our Hanaper, or elsewhere, to our use, therefore, any ways to be rendered, paid, or made. And we do hereby, for us, our heirs and successors, covenant, grant, and agree, to and with the said Governor and Company, and their successors, that we, our heirs and successors, shall and will, from time to time, and at all times hereafter, upon the humble suit and request of the said Governor and Company, and their successors, give and grant unto them all such farther and other powers, privileges, authorities, matters, and things, which we or they can or may lawfully grant, and as shall be reasonably advised and desired by the Council learned of the said Governor and Company for the time being, and shall be approved by our Attorney or Solicitor-General in our behalf. In witness whereof, we have caused these our letters to be made patent. Witness ourselves at Westminster, the 27th day of July, in the sixth year of our reign.

By Writ of Privy-Seal,

PIGOTT.

Intrat. int. Record Domini Regis Willielmi Tertii, infra Recept.Scaccarii, ss. remanen in Officio Clerici Thesaurarii al. Clerici Pellium decimo die Junii, 1695. *Annoq.; Regni dicti Domini Regis septimo.*

The London Joint Stock Banks.

The London Joint Stock Banks are the result of that relaxation in the privileges granted to the Bank of England in its several Charters for about 140 years; and if history did not accurately record this fact, it would, probably, be difficult to believe that it could have so long maintained them in opposition to reason and intelligence. The panic of 1825 gave rise to the passing of the Act, 7th Geo. IV., cap. 46, in May, 1826, by which Joint Stock Banks, as Banks of Issue, might be established in England; but the radius of *sixty-five miles* from London, in all directions, was still preserved, over which the Bank of England, as a corporation, could range without coming in contact with any joint stock competition; and as banks established under this Act were prohibited from having "any place of business or establishment as bankers in London, or at any place not exceeding sixty-five miles" in distance from it, and were also prohibited from "borrowing, drawing, or taking up

in London, or within sixty-five miles thereof, any sums of money on their bills or notes payable on demand, or at any time less than six months from the time of borrowing," it is unnecessary to explain further why the Joint Stock Banks in London cannot date an earlier origin. It was not until the Charter of the Bank of England was renewed in 1833, that this exclusive privilege was relaxed, and Country Joint Stock Banks were allowed an agent in London. From this period the oldest of the London Joint Stock Banks dates the commencement of its history: these banks, however, have no power to issue notes *payable on demand*, but simply carry on the ordinary operations of banking, such as receiving deposits, discounting bills, granting letters of credit, and conducting business as agents for other banks.

In order to render the history of these banks as complete as possible, we shall shew the progressive movement of each, from the first year of their establishment to the year 1856. The order in which they were established was as under:—

1. *The London and Westminster Bank.*—This bank commenced business in March, 1834, with a paid-up capital of £50,000, which, at the end of twelve months, was increased to £244,945. The subscribed capital of the bank now amounts to £5,000,000, divided into 50,000 shares of £100 each, on which £20 have been paid; making the total paid-up capital £1,000,000 sterling. This bank has 6 branches in London, and about 1,518 shareholders. The chief office is in Lothbury; and the Manager is James William Gilbart, Esq., F.R.S.

2. *The London Joint Stock Bank.*—This bank commenced business in November, 1836, with a proposed capital of £3,000,000, divided into 60,000 shares of £50 each, on which more than £30,000 was paid up. In December, 1837, the paid-up capital was £217,560; it now amounts to £600,000. This bank has a west-end branch at Pall Mall, and about 1,082 shareholders. The chief office is in Princes-street, Mansion House; and the Manager is George Pollard, Esq.

3. *The London and County Bank.*—The original title of this bank was *The Surrey, Kent, and Sussex Bank*, formed in 1836; but it commenced business under the above designation in 1839, with a proposed capital of £2,000,000, divided into 40,000 shares of £50 each, and a paid-up capital of £64,365 the first,

year. The present amount of paid-up capital is £466,332. This bank has 4 branches in London and 60 in the country, and about 768 shareholders. The chief office is 21, Lombard-street; and the Manager is WILLIAM MACKEWAN, Esq.

4. *The Union Bank of London.*—This bank commenced business in February, 1839, with a proposed capital of £3,000,000, divided into 60,000 shares of £50 each; and in June, 1840, the paid-up capital amounted to £210,025. The present amount of capital paid up is £600,000, or £10 per share. This bank has three branches in London and about 1,034 shareholders. The chief office is in Princes-street, Mansion House; and the Manager is WILLIAM WILSON SCRIMGEOUR, Esq.

5. *The Commercial Bank of London.*—This bank commenced business in 1840, and held its first annual meeting in June of the following year, when the paid-up capital was £80,000. The proposed capital was £2,000,000, divided into 20,000 shares of £100 each; of which £20 have been paid up. The original shares were £1,000 each; but at a special meeting held in 1844, they were reduced to their present amount. The paid-up capital is now £300,000. This bank has only one branch, which is at Henrietta-street, Covent Garden, and about 384 shareholders. The chief office is in Lothbury; and the Manager is ALFRED R. CUTBILL, Esq.

The above five banks were established under the Joint Stock Bank Act, 7 Geo. IV., cap. 46, passed on the 26th of May, 1826; but as a great number of restrictions were imposed upon such banks until after the renewal of the Bank Charter in 1833, Joint Stock Banks could not be formed in London until after that period: and even then the Bank of England asserted its privileges by commencing an action against the London and Westminster Bank in 1835 for accepting bills at less than *six months after date*; a monopoly so extraordinary in its character in a commercial country like England, that it was about as reasonable as limiting the ledgers and the correspondence of a merchant; and although the trial ended by the Master of the Rolls granting an injunction to restrain the London and Westminster Bank from accepting bills at less than six months' date, it led to an evasion of the strict letter of the law, by country banks drawing upon the London and Westminster Bank "*without acceptance:*" thereby shewing that *confidence*, and not a mere

technical formality, was all that was necessary to overcome a legislative privilege. This practice has since been extensively adopted by bankers: and great credit is due to the original directors of the London and Westminster Bank for having opposed a law so thoroughly inimical to all commercial and banking progress.

The following Joint Stock Banks have been formed in London under the 7 and 8 Vict. cap. 113, passed in 1844, and are known by the title of Chartered Banks.*

1. *The Royal British Bank.*—This bank was opened for the transaction of business in November, 1849, in Token-house-yard, in Lothbury, with a subscribed capital of £100,000, out of a proposed capital of £2,000,000, in 1,000 shares of £100 each, of which £50 were paid up. In 1855 the paid-up capital was increased to £150,000.

The failure of this bank is unfortunately too notorious to require any lengthened explanation here: but as one of the first of the chartered banks established under the 7 and 8 Vict. cap. 113, we may mention that this bank made the following announcement by fixing it on the outer door of the bank in Threadneedle-street, on Wednesday, the 3rd of September, 1856, at 11 o'clock a.m.:—"The business of this bank is suspended, pending negotiations." And on the following morning the subjoined notice was affixed to the door:—

"This bank has suspended payment."

The alarm created by this announcement amongst those who had any claims upon the institution resulted in a scene which it is difficult, if not impossible, to describe: but as space cannot be afforded in a work of this description for that purpose, it will only be treated in a financial point of view. The length of time over which the managers and directors of this bank succeeded in blinding the shareholders and the public from its real condition, will never be obliterated from the history of Joint Stock banking: and the remarkable contrast presented between the last published balance-sheet of this bank, and its position in bankruptcy, will ever be referred to as an illustration of the manner in which figures may be covered by the basest kind of fraud.

* This list does not include those incorporated banks established in connexion with the British Colonies and Foreign Countries.

The following condensed statement of the position of the bank at the date of its failure is compiled from the accounts drawn up by Mr. J. E. Coleman, the Accountant, and delivered at a meeting of the shareholders held at the London Tavern on the 20th of September, 1856:—

STATEMENT OF THE AFFAIRS OF THE ROYAL BRITISH BANK, September 3, 1856.

Liabilities.

Dr.	£	s.	d.
Head-office	256,596	15	0
Strand	110,190	15	6
Lambeth	43,217	0	6
Islington	73,596	17	7
Pimlico	9,831	19	1
Borough	15,335	18	8
Piccadilly	14,887	3	7
Holborn	15,375	2	10
Total Liabilities	539,031	12	9

Assets.

	Cash. £	s.	d.	Debtors, &c. £	s.	d.	Buildings & Furniture. £	s.	d.	Totals. £	s.	d.
Head-office	29,022	2	10	169,628	10	7	14,480	0	11	213,130	14	4
Strand	6,963	16	10	28,972	16	7	6,000	0	0	41,936	13	5
Lambeth	3,573	16	10	5,956	12	10	—			9 530	9	8
Islington	1,649	6	6	2,950	3	4	1,000	0	0	5,599	9	10
Pimlico.....	1,540	9	6	731	4	10	750	0	0	3,021	14	4
Borough	3,587	7	10	5,252	1	2	500	0	0	9,339	9	0
Piccadilly.....	1,565	1	6	5,673	17	8	1,000	0	0	8,238	19	2
Holborn	625	19	5	6,504	9	9	2,000	0	0	9,130	9	2
	£48,528	1	3	*225,669	16	9	25,730	0	11	299,927	18	11
*Less allowance for contingencies, exclusive of any expenses, 5 per cent. on £225,669 16s. 9d.										11,283	10	0
Total Assets, exclusive of the Welsh works (see A)..										£288,644	8	11

(A).—Welsh works cost, exclusive of interest, £106,453 4s. 9d.

The following is a statement of the affairs of the Bank to the same date according to the bank books:—

Liabilities.

		£	s.	d.
Head-office		342,927	9	11
Strand Branch		118,155	15	3
Lambeth ,, ...		45,021	15	7
Islington ,, ...		78,156	0	8
Pimlico ,, ...		10,099	1	5
Borough ,, ...		17,783	8	3
Piccadilly ,, ...		16,659	2	2
Holborn ,, ...		17,051	17	7
		645,854	10	10
To Capital	£150,000 0 0			
New share deposits	8,735 0 0			
		158,735	0	0
Bad debt fund		4,217	0	4
Liquidation		528	18	5
Premiums		245	0	0
Rent and Taxes		112	17	8
Income Tax		2	0	6
Branches		175,447	12	0
Reserve Fund		14,202	8	8
Unappropriated Balance, June 30th..		1,060	2	7
Interest received		1,877	12	7
Total Liabilities.. ..		1,002,283	3	1

ASSETS.

	£	s.	d.
Head-office	634,216	6	7*
Strand Branch	44,604	4	4
Lambeth ,, ...	9,118	6	9
Islington ,, ...	8,104	17	8
Pimlico ,, ...	1,009	19	6
Borough ,, ...	8,168	9	7
Piccadilly ,, ...	7,633	6	3
Holborn ,, ...	8,181	4	6
	721,036	15	2
By adjusting interest account..	22,356	10	6
Branches	177,984	12	7
Guarantee	33	5	0
Clearing	4	13	0
Suspense sundry Accounts	60,916	14	2
Working expenses	4,157	0	9
Preliminary ditto	15,793	11	11
Total Assets	1,002,283	3	1

The following statement shews the progress of the bank from its origin to Midsummer, 1856, as given in the published returns of the bank from time to time :—

ANNUAL PROGRESS OF THE ROYAL BRITISH BANK.

Years.	No. of Shareholders.	No. of Shares.	Amount of Share.	Capital Subscribed.	Capital Paid up.	Amount of Deposits.	Interest paid to Depositors.	Profits.	Reserved Fund.	Rate of Dividend.
From Nov. 1849 to Dec. 31st,			£	£	£	£	£	£	£	per cent.
1850	131	1000	100	100000	50000	353541	4456	7097	2000	4
1851	127	1000	100	100000	50000	493764	9601	7243	4583	5
1852	127	1000	100	100000	50000	687417	13394	8746	7500	5
1853	128	1000	100	100000	50000	829298	19485	9848	10766	6
1854	122	1000	100	100000	50000	805295	25610	24312	12591	6
1855	288	1000	100	100000	50000	983052	25520	30551	13990	6
To Midsummer 1856	288	3000	100	300000	150000	842428	14866	15069	14202	4

The Bank of London.—This Bank was opened for business in August, 1855, with a proposed capital of £600,000, in shares of £100 each, of which £50 per share were paid up. This bank has one branch in London, and about 366 shareholders. The chief office is in Threadneedle-street; and the Manager is MATTHEW MARSHALL, Jun. Esq. The first meeting was held on the 8th July, 1856. Sir JOHN VILLIERS SHELLEY, M.P., in the Chair, when a dividend at the rate of 5 per cent. per annum was declared; the amount of deposits to the 30th of June was

* This sum includes £48,528 1s. 3d. cash at the Head-office and Branches.

£1,363,842; the gross profits £37,418: and the total liabilities, including £300,000 paid-up capital, £1,701,260. By the half-yearly balance-sheet to December 31st, 1856, the deposits amounted to £1,256,625; and the amount carried to profit and loss account, after payment of £20,238 12*s.* for interest on customers' balances, was £16,904 9*s.* 11*d.*; the dividend for the half-year was at the rate of 5 per cent. per annum, and the reserve fund £8,000.

The City Bank.—This bank commenced business in August, 1855, with a proposed capital of £300,000, in 3,000 shares of £100 each, of which the paid-up capital was £150,000. In 1856, the bank obtained a supplementary charter to increase its subscribed capital to £1,000,000, by which 1,500 additional shares were created, in the proportion of *one* new share to every *two* original shares, at a premium of £8 per share. The first meeting of the bank was held on the 17th of July, 1856, Sir R. Carden in the Chair, when a dividend at the rate of 5 per cent. per annum was declared. The amount carried to profit and loss was £21,794 6*s.* 7*d.*, and £12,000 as premium on new shares, from which current expenses amounting to £6,453; preliminary expenses, £3,118; and £1,000 on account of building, were written off, and £10,000 carried to the reserve fund. At a half-yearly meeting held on the 22nd January, 1857, the gross profits for the half-year ended December 31st, 1856, amounted to £20,857; from which a dividend at the rate of 5 per cent. per annum was declared, and £6,859 deducted for current expenses, &c. The paid-up capital to the same date was £225,000; the amount of deposits £944,475, and the number of shareholders about 286. This bank has no branches. The office is in Threadneedle-street; and the Manager is Augustus Jackson White, Esq.

The Unity Mutual Bank.—This bank commenced business in May, 1856, and is established on the principle of *Mutuality:* that is, that a certain portion of the profits, after certain deductions have been made, shall be divided amongst the customers of the bank, keeping current accounts. These deductions consist of making due provision for the reserve fund, and first paying to the shareholders 5 per cent. per annum interest on the paid-up capital. The following is an extract from the Charter on this point:—

" CLAUSE 77.

" That the Directors shall in each year pay, or cause to be paid, out of the funds of the Association, to each customer of the Association, whose cash balances shall not at any time during the last preceding year have ever fallen below such sum as shall be for the time being fixed on, or limited by the Directors, and who shall not have declined to accept it, the additional interest next hereinafter provided, that is to say, such sum for interest on the average amount of his cash balances during such last preceding year (in addition to the interest provided for in the 74th and 75th clauses of these presents), as shall bear the same proportion to one equal half-part of the net profits so ascertained as therein provided, as his said average amount shall bear to the aggregate average amounts of the cash balances of all the said customers during such last preceding year. PROVIDED ALWAYS, that the Directors shall have power, and are hereby authorized in deciding on the amount or balances which shall be entitled to such additional interest as last aforesaid, to reject fractional parts of one hundred pounds, if they shall think fit; and PROVIDED ALWAYS, that nothing herein contained shall be construed to, or in fact render it compulsory on such customers to accept such additional interest as last aforesaid, and any customer may previously or subsequently to his opening an account with the Association elect whether or not he shall accept such additional interest; and PROVIDED ALSO, THAT THE CUSTOMERS OF THE ASSOCIATION SHALL NOT BE CONSIDERED, OR IN FACT BE, PARTNERS IN THE SAID ASSOCIATION, *or in any manner interested in the Capital or Joint Stock, or the profits thereof, or entitled to any account thereof respectively*, NOR BE LIABLE FOR ANY OF THE DEBTS, LOSSES, OR ENGAGEMENTS OF THE SAID ASSOCIATION, *but shall only be creditors of the said Association in respect of their several cash balances for the time being, and such interest thereon as aforesaid, and the report or statement of the amount of such interest from time to time made by the Directors for the time being of the Association shall be binding and conclusive on the said Customers.*"

The subscribed capital is £300,000, divided into 3,000 shares of £100 each, of which £50 have been paid up. This bank has one branch in London and two in the country, namely, Brighton and Hertford (several branches proposed at the outset have been discontinued under the present management), and about 521 shareholders. The chief office is in Cannon-street, City; and the manager is GEORGE CHAMBERS, Esq.

The first annual meeting of this bank was held on the 11th of May, 1857, when a balance-sheet was presented; shewing the amount carried to profit and loss £15,334 12*s.* 8*d.* The total liabilities were £150,000 paid-up capital, and £176,013 18*s.* 11*d.* in deposits, &c., making a total of £341,348 11*s.* 7*d.* The preliminary expenses, including the sum of £6,000 paid to Mr. T. H.

BAYLIS, the original promoter, amounted to £28,882 15*s.* 5*d.*—For balance-sheet, see APPENDIX.

The Western Bank of London.—This bank commenced operations in June, 1856, with a proposed capital of £300,000, divided into 3,000 shares of £100 each. The amount of paid-up capital is £200,000, or £50 per share upon 4,000 shares. The object of this bank is to afford accommodation to the Western part of the metropolis. The number of shareholders is 318. The chief office is in Hanover-square; and the Manager is HENRY TUCKER CLACK, Esq.

The first meeting was held on the 7th May, 1857, when a balance-sheet was presented to the 30th April, in which the gross profits were given at £12,658 1*s.* 11*d.*; the paid-up capital £200,000; and the deposits, &c. £173,812 2*s.* 8*d.*, making the total liabilities £386,470 4*s.* 7*d.* The preliminary expenses amounted to £13,333 11*s.* 8*d.*, including £6,000 paid to the promoters, and the balance of cash in hand was £46,184 10*s.* 2*d.* For balance-sheet see APPENDIX.

In reviewing the progress of the principal London Joint Stock Banks from their commencement to the close of their last yearly accounts, their success is very striking; the interruptions to that success occurred in 1843 and 1847; during the former year trade had become in a very depressed condition, while the Bank of England was preparing to bring its operations into conformity with the intended new Charter in 1844, by using every means in its power to increase its stock of bullion. There was no material change in the current liabilities of the Joint Stock Banks in that year, but there was less profitable employment found for money. The discoveries of gold in California in 1848, and in Australia in 1851, began to exercise great influence upon the London Banks in 1852, when the Bank of England held in its coffers upwards of £22,000,000 of gold. The expansion of commerce consequent upon these discoveries, and the high rate of interest that has for a long time prevailed, have contributed greatly to the success of the London Joint Stock Banks since that period.

The following tabular statements will shew the annual progress of the five Unchartered Banks, from the commencement to their last balance-sheets:—

TABLE I. DEPOSITS AND CURRENT LIABILITIES.

Years.	London and Westminster. December 31.	London Joint Stock. December 31.	London and County. December 31.	Union Bank of London. June 30.	Commercial Bank. June 30.	Totals.
	£	£	£	£	£	£
1834	180,380	.....	.....	.....	.....	180,380
1835	266,884	.....	.....	.....	.....	266,884
1836	643,332	.....	.....	.....	.....	643,332
1837	793,148	594,101	.....	.....	.....	1,387,249
1838	1,387,855	1,145,421	.....	.....	.....	2,532,276
1839	1,266,845	1,035,088	351,275	.....	.....	2,653,208
1840	1,361,545	1,170,893	437,995	377,755	.....	3,348,188
1841	1,499,328	1,403,188	581,280	503,550	168,977	4,156,322
1842	2,087,757	1,771,739	858,802	745,988	246,824	5,711,110
1843	2,219,624	2,046,285	996,082	956,467	216,948	6,435,406
1844	2,676,741	2,245,330	1,231,412	1,591,200	239,622	7,984,305
1845	3,590,014	2,460,476	1,489,738	2,012,548	500,728	10,053,504
1846	3,280,864	2,446,017	1,588,535	2,170,310	440,271	9,925,997
1847	2,733,753	1,971,912	1,225,120	2,510,064	409,925	8,850,774
1848	3,089,659	2,328,056	1,354,730	2,644,728	406,217	9,823,390
1849	3,680,623	2,792,507	1,675,495	2,835,617	541,804	11,526,045
1850	3,969,648	2,949,869	2,030,238	2,963,583	612,596	12,525,934
1851	4,677,298	3,157,575	2,465,768	3,094,316	764,541	14,160,408
1852	5,581,706	3,591,506	3,281,603	4,268,438	964,177	17,687,430
1853	6,259,540	5,010,623	3,417,130	4,878,731	1,246,824	20,812,848
1854	7,177,244	6,161,154	3,779,944	7,031,477	1,265,903	25,415,722
1855	8,166,553	6,241,594	4,443,359	8,363,460	1,317,554	28,825,164
1856	11,438,461	7,224,527	3,543,824	9,045,607	1,536,361	32,788,780

TABLE II. PROFITS.

Years.	London and Westminster. June 30.	London Joint Stock. December 31.	London and County. December 31.	Union Bank of London. June 30.	Commercial Bank June 30.	Totals.
	£	£	£	£	£	£
1834	3,540	.....	.....	.....	.....	3,540
1835	11,520	.....	.....	.....	.....	11,520
1836	32,483	.....	.....	.....	.....	32,483
1837	32,404	11,634	.....	.....	.....	44,038
1838	43,635	21,150	.....	.....	.....	64,785
1839	48,098	26,642	4,465	.....	.....	79,205
1840	48,951	34,212	4,366	16,518	.....	104,047
1841	51,300	44,731	5,146	24,573	3,619	129,369
1842	55,118	43,042	8,100	29,899	4,584	140,743
1843	51,696	28,653	6,887	29,962	3,249	120,447
1844	51,081	34,345	9,965	32,113	4,945	132,449
1845	66,344	38,685	13,578	36,419	6,981	162,007
1846	72,175	62,712	15,416	29,181	12,600	192,084
1847	58,223	58,510	14,700	47,598	12,382	191,413
1848	62,076	58,265	13,179	39,283	10,257	183,060
1849	65,120	58,566	14,735	28,617	12,077	179,152
1850	67,262	46,874	16,152	33,858	14,982	179,122
1851	84,044	58,581	20,530	39,806	15,551	218,512
1852	85,012	58,006	30,227	38,171	21,307	232,723
1853	116,142	82,235	52,952	42,811	30,654	324,794
1854	149,219	123,680	55,719	84,632	36,950	450,200
1855	156,407	117,855	68,900	139,967	36,180	519,309
1856	170,607	151,717	62,053	121,112	38,976	544,465

It will be seen by the above tables, that the increase in the deposits and profits of the five banks since their commencement have been in the following ratio, in round numbers :—

	Increase of Deposits.		Increase of Profits.	
London and Westminster Bank	63	fold	50	fold
London Joint Stock Bank	12	,,	13	,,
London and County Bank	19	,,	14	,,
Union Bank of London	24	,,	7	,,
Commercial Bank	9	,,	11	,,

By recapitulating the deposits and profits on the above London Joint Stock Banks according to their respective returns, the amounts will be found as under :—

	Deposits. £	Profits. £
London and Westminster Bank	11,438,461	170,607
London Joint Stock Bank	7,224,527	151,717
London and County Bank	3,543,824	62,053
Union Bank	9,045,607	121,112
Commercial Bank	1,536,361	38,976
Total of Unchartered Banks	32,788,780	544,465

The deposits and current liabilities of the Chartered Banks to December 31st, 1856, were as under :—

	£
Bank of London	1,256,625
City Bank	944,475
Unity Mutual Bank	164,809
Western Bank of London	161,504
Total of Chartered Banks	2,527,413

It appears by the above returns that the total amount of deposits and current liabilities of the nine Joint Stock Banks in London was £35,316,193.

The total paid-up capital of the five Unchartered Banks amounts to £2,966,332, or about 9 per cent. of the deposits, &c.; and the proportion of paid-up capital to the amount of deposits held by each bank, estimated on the foregoing returns, is as follows :—

LONDON AND WESTMINSTER BANK.

	£	
Deposits.....	11,438,461	Proportion 9 per cent.
Capital.....	1,000,000	

LONDON JOINT STOCK BANK.

	£	
Deposits.....	7,224,527	Proportion 8 per cent.
Capital.....	600,000	

LONDON AND COUNTY BANK.

	£	
Deposits.....	3,543,824	Proportion 13 per cent.
Capital.....	466,332	

UNION BANK OF LONDON.

	£	
Deposits.....	9,045,607	Proportion 6½ per cent.
Capital.....	600,000	

COMMERCIAL BANK OF LONDON.

	£	
Deposits.....	1,536,361	Proportion 19½ per cent.
Capital.....	300,000	

The following statement shows the rate per cent. of profit upon the paid-up capital of each of the following banks, from the foregoing accounts :—

	Rate per Cent. of Profits on Capital.
London and Westminster Bank	17.6 per cent.
London Joint Stock Bank.	25.2 ,,
London and County Bank	13.3 ,,
Union Bank of London	20.1 ,,
Commercial Bank	12.9 ,,

The following Statement shows the Rates of Dividend per cent. paid in each Year by the following Banks.

TABLE III. RATES OF DIVIDEND DECLARED.

	1834 ℘ct.	1835 ℘ct.	1836 ℘ct.	1837 ℘ct.	1838 ℘ct.	1839 ℘ct.	1840 ℘ct.	1841 ℘ct.	1842 ℘ct.	1843 ℘ct.	1844 ℘ct.	1845 ℘ct.	1846 ℘ct.	1847 ℘ct.	1848 ℘ct.	1849 ℘ct.	1850 ℘ct.	1851 ℘ct.	1852 ℘ct.	1853 ℘ct.	1854 ℘ct.	1855 ℘ ct.	1856 ℘ ct.
London and Westminster Bank	2	4	5	5	5	6	6	6	6	6	6	6	8	6	6	6	7½	8	8	10	14	15	17
London Joint Stock Bank	—	—	—	4	5	5	5	5½	6	6	6	6	7	9¾	9½	9¾	7¾	9¾	9½	13¾	20¾	19⅝	25¼
London and County Bank	—	—	—	—	—	5	5	5	5	5	5	5	6	6	6	6	6	7	8	10	12	15	11
Union Bank of London	—	—	—	—	—	—	5	5	5	5	5	5	5	6	6	6	6	7	7	8	15	20	17½
Commercial Bank	—	—	—	—	—	—	—	4	5	4	5	6	6	6	6	6	6	6	8	10	10	10	11
Royal British Bank	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4	5	5	6	6	6	4
Bank of London	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5
City Bank	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5

The following Statement shews the general features of each of the following Banks from the latest Returns.

TABLE IV.

	No. of Shareholders.	Subscribed Capital.	Paid up Capital.	Net Profits.	Rates of Dividend.
		£	£	£	
London and Westminster Bank	1,518	5,000,000	1,000,000	170,607	17 ℘ cent.
London Joint-Stock Bank	1,082	3,000,000	600,000	151,717	25¼ ,,
London and County Bank	768	1,250,000	466,332	62,053	11 ,,
Union Bank of London	1,034	3,000,000	600,000	121,112	17½ ,,
Commercial Bank	384	1,500,000	300,000	38,976	11 ,,
Bank of London	366	600,000	300,000	.....	5 ,,
City Bank	286	300,000	225,000	.....	5 ,,
	5,438	14,650,000	3,491,332	544,466	

The London Joint Stock Banks, established prior to 1844, possessed much greater advantages over those formed under 7 and 8 Vict. cap. 113, in consequence of the small proportion of paid-up capital. This will be seen from the following comparison of the market value of their respective shares at Midsummer, 1856:—

	Paid on each Share.	Market value.	Premium per Cent.
London and Westminster	£20	48¼	141¼
London Joint Stock	10	31	210
Union Bank of London	10	28	180
London and County	20	35¼	76¼
Commercial	20	33	65
Royal British Bank	50	44	12 dis.
Bank of London	50	70	40
City Bank	50	74	48

There are other Joint Stock Banks in London which cannot, strictly speaking, be comprised in the list above referred to of London Joint Stock Banks; these are as follows:—The Agra and United Service Bank; the Alliance Bank; the Bank of Australasia; the Bank of British North America; the Bank of Egypt; the Bank of New South Wales; the Bank of Switzerland; the Chartered Bank of India, Australia, and China; the Colonial Bank; the English, Scottish, and Australian Chartered Bank; the Ionian Bank; the London Chartered Bank of Australia; the London and Eastern Bank;* the Mercantile Bank of India, London, and China; the National Bank of Ireland; the National Provincial Bank of England; the North Western Bank of India;† the Oriental Bank Corporation; the Ottoman Bank; the Provincial Bank of Ireland; the South Australian Banking Company; and the Union Bank of Australia; making 22 in number.

According to the last returns of the *Gazette* there were 62 registered Private Banks in the Metropolis, exclusive of the Banks already enumerated,‡ making the total number of banking establishments in the Metropolis, including the Bank of England and Branch Banks, 112.

* This Bank ceased to carry on its operations on the 19th March, 1857, and its affairs are now in the course of liquidation. See APPENDIX.

† This is only a London agency.

‡ Of these, two are bullion merchants and two are bill-brokers.

Country Banks and Banking.

The Country Banks, like those of London, are divided into two descriptions, viz., Joint Stock Banks, and Private Banks; and each description consists of issuing and non-issuing banks. As the Private Banks date their origin much earlier than the Joint Stock Banks it may be desirable to treat of them in the same order.

Private Banks in England.

The legal distinction between a Private and a Joint Stock Bank is, that it cannot possess more than *six* partners without being deprived of such title, under the Act 7 and 8 Vict., cap. 32. It is not necessary here to enter into a history of these banks, but rather to shew their position and influence under the existing law. The issues of the Private Banks in England had, for many years prior to the passing of the Bank Charter Act of 1844, been considered one of the great causes of panics and irregularities in the fluctuations of the paper-currency of England and Wales, though the truth of this has never been established; but it is certain, nevertheless, that this opinion was strongly entertained in both Houses of Parliament by many influential members, which ultimately led to a positive restriction in the issues of all Country Banks, both Private and Joint Stock. The sections of the Act of 1844 which have special reference to Country Banks are—10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22, and impose upon them the following regulations:—

1. That no new bank of issue can be established *in any part of the United Kingdom*, nor can any banker *issue notes* who was not lawfully doing so on the 6th day of May, 1844.

2. That no banking company or partnership, which then consisted of only *six* or *less* than six persons, shall issue bank notes at any time after the number of partners should exceed six.

3. Bankers having ceased to issue their own notes, whether by agreement with the Bank of England or not, cannot resume such issues.

4. Existing banks of issue to be subject to a fixed amount, ascertained by the average amount of notes in circulation during the *twelve months* preceding the 27th of April, 1844; and at no time after the 10th of October in that year to have in circulation a greater amount, on the average of *four weeks*, than the amount so certified by the Commissioners of Stamps and Taxes, and the account to be published in the *London Gazette*.

5. If any banker shall issue notes exceeding in amount the authorized issue he forfeits a sum equal to the excess.

6. The accounts of all banks of issue to be sent in to the Commissioners of Stamps and Taxes, shewing an account of the amount of notes in circulation every day in the week, and the weekly averages to be published in the *London Gazette:* any banker refusing or neglecting to comply with this regulation is subject to a penalty of £100 for every such offence.

7. The mode of determining the average amount of bank notes in circulation for the four weeks *after* the 10th day of October, 1844, to be divided by the number of *days of business* in such four weeks, and so on for every successive four weeks.

8. All bankers are compelled to take out a licence for every place at which their notes are issued, unless they had *four* such licences in force on the 6th day of May, 1844.

9. The 23rd section empowers the Bank of England to terminate all its agreements with bankers who had ceased to issue their own notes *prior* to the passing of this Act on the 31st of December, 1844, and to allow such banks a composition of 1 per cent. per annum on the average amount of Bank of England notes issued by such banks, and actually remaining in circulation, estimated on the amount of Bank of England notes delivered to such bankers within *three months* preceding some day in the month of April, 1845.

10. The 24th section empowers the Bank of England to agree with any banker entitled to issue his own notes under this act, to allow such banker a composition of 1 per cent. per annum on the amount of Bank of England notes kept in circulation by such banker, to be determined in a similar manner. The same section provides, that in case any increase is made in the Securities in the Issue Department under an Order in Council, the amount of composition payable to such bankers shall be deducted out of the amount payable by the Bank to the public.

11. By the 25th section the whole of these compositions were to cease on the *first day of August*, 1856, "or on any earlier day on which Parliament may *prohibit the issue of bank notes.*" *

Such are the leading provisions of the Bank Act of 1844 with regard to Country Banks, and the issues of bank notes. The main principle of the Bill was evidently to prepare the way for the total extinction of all Country Bank notes under their present forms, and to introduce a system of issues emanating from some central authority: the reasons for coming to this conclusion are to be found in the gradual process of extinguishing Country Bank notes; by terminating the compensation paid to Country Banks; and by the prohibition of any new banks of issue. Before concluding our remarks on this part of the

* These compositions have been continued "until Parliament shall prohibit the issue of bank notes" under the Act 19 Vict. cap. 20 (June 5th, 1856), and the above section of the Act of 1844 is repealed.

subject it may be desirable to shew to what extent Country Banks have ceased to issue their notes before, and since, the passing of the Act of 1844. The following is a list of the Country Banks under sec. 24 who had entered into agreements with the Bank of England prior to the passing of the Act of 1844, and which terminated on the 31st of December in that year:—

1. Bank of Liverpool, Liverpool.
2. J. Barned and Co., ditto.
3. Biddulph, Brothers, and Co., Pembroke.
4. Birmingham Banking Company, Birmingham.
5. Birmingham Town and District Bank, ditto.
6. Birmingham and Midland Banking Company, ditto.
7. Burgess and Son, Ramsgate.
8. Coopers and Purton, Bridgenorth.
9. Cunliffes, Brookes, and Co., Blackburn and Manchester.
10. Deane, Littlehales, and Deane, Manchester.
11. Dendy, Comper, and Co., Chichester.
12. Devon and Cornwall Banking Company, Plymouth.
13. Grants and Gillman, Gosford.
14. Hampshire Banking Company, Southampton.
15. James W. R. Hall, Ross.
16. J. M. Head and Co., Carlisle.
17. Henty, Upperton, and Olliver, Arundel.
18. Thomas Kinnersly and Sons, Newcastle-under-Lyme.
19. R. J. Lambton and Co., Newcastle-on-Tyne.
20. Liverpool Commercial Banking Company, Liverpool.
21. Liverpool Union Bank, ditto.
22. Liverpool Borough Bank, ditto.
23. Manchester and Liverpool District Banking Company, Manchester.
24. Manchester and Salford Banking Company, ditto.
25. Monmouth and Glamorgan Banking Company, Newport.
26. Moss and Company, Liverpool.
27. Mangles, Brothers, Guildford.
28. Newcastle Commercial Banking Company, Newcastle-on-Tyne.
29. Newcastle-on-Tyne Joint Stock Banking Company, ditto.
30. North of England Joint Stock Banking Company, ditto.
31. Northumberland and Durham District Bank, ditto.
32. Portsmouth and South Hants Banking Company, Portsmouth.
33. T. and R. Raikes and Co., Hull.
34. Robinson and Broadhurst, Mansfield.
35. Sheffield Union Bank, Sheffield.
36. John Stoveld.
37. Sunderland Joint Stock Banking Company, Sunderland.
38. Tugwell and Co., Bath.
39. Union Bank of Manchester, Manchester.
40. Vivian, Kitson, and Co., Torquay.
41. Watts, Whiteway, and Co., Newton.
42. I. and I. C. Wright and Co., Nottingham.
43. Webb, Holbrook, and Spencer, Ledbury.

Since the passing of the Act of 1844, the following Country Banks have ceased to issue their own notes payable on demand, from various causes.*

* *Parl. P.* No. 62, Session 1857.

NAMES OF BANKS which have ceased to issue their own Notes prior to the Order in Council, according to the Provisions of the Act 7 & 8 Vict., c. 32.

No.	Title of Banks.	Title of Partnerships.	Amount of authorised Circulation.
			£
1	Abingdon Bank	Knapp & Co.	29,316
2	Bedford and Bedfordshire Bank	Trapp, Halfhead, & Co.	8,515
3	Bridport Bank	S. & W. E. Gundry	24,698
4	Bishop's Waltham and Hampshire Bank	Gunner & Sons	1,993
5	Bromsgrove Bank and Stourbridge and Bromsgrove Bank	Rufford, Biggs, & Co.	16,799
6	Bristol Old Bank	Baillie, Ames, & Co.	89,540
7	Christchurch Bank	Tice, Welch, & Co.	2,840
8	Cardiff Bank	Towgood & Co.	7,001
9	Cambridge Bank	Fisher & Sons	8,753
10	Cambridge Bank	Humfrey & Son	2,615
11	Dover Union Bank	Latham & Co.	9,577
12	Grantham Bank	Kewney & King	19,401
13	Honiton Bank	Flood & Co.	19,015
14	Leek and Staffordshire Bank, and Leek and Congleton Bank	Fowler, Gaunt, & Co.	4,009
15	Marlborough Bank, Marlborough & Wilts Old Bank, Marlborough Old Bank, Marlborough Old Bank and Hungerford Bank, and Hungerford Bank	Tanner & Pinckney	19,073
16	Marlborough and North Wiltshire Bank	Ward, Merriman, & Co.	12,490
17	Margate Bank	Cobb & Co.	9,996
18	Monmouthshire and Newport Old Bank	W. Williams & Son	8,600
19	Oxford Bank	J. & R. Morrell	14,277
20	Oxford University and City Bank	Sir J. Lock & Co.	15,705
21	Peterborough Bank	Simpson, White, & Co.	12,832
22	Penzance Union Bank, Falmouth Bank, and Truro Bank	Ricketts, Enthoven, & Co.	31,461
23	Romsey and Hampshire Bank	Footner & Son	3,875
24	Reigate and Dorking Bank, and Reigate, Croydon, and Dorking Bank	Nash & Co.	13,700
25	Shrewsbury and Market Drayton Bank	Adams & Co.	9,700
26	St. Alban's Bank	J. S. Story	3,743
27	Salisbury Bank	W. B. & G. Brodie	23,335
28	Shaftesbury Bank	Brodie & King	9,813
29	Stourbridge Bank	Rufford, Wragge, & Co.	17,295
30	Stourbridge Old Bank	Bate & Robins	17,560
31	St. Alban's and Herts Bank	Gibson & Sturt	2,333
32	Staines Bank	Ashby & Co.	9,244
33	Winchester and Hampshire Bank	Wickham & Co.	6,737
34	Whitby Bank	Frankland & Co.	2,076
35	Walsall Old Bank	C. Forster & Sons	19,937
36	Warminster and Wiltshire Bank	Everett & Co.	24,896
37	Wrexham Bank	J. & S. Kenrick	3,289
38	Wrexham and North Wales Bank	R. M. Lloyd	4,464
39	Yeovil Old Bank	E. & J. Batten	10,033
40	Leeds and West Riding Banking Company	.....	18,937
41	Leeds Commercial Banking Company	.....	13,914
42	Newcastle, Shields, and Sunderland Union Joint Stock Banking Company	.....	84,130
43	Stockton and Durham County Banking Company	.....	8,290
44	Storey and Thomas's Banking Company	.....	9,714
45	Sheffield and Retford Bank	.....	18,744
46	Suffolk Banking Company	.....	7,449
47	Western District Banking Company	.....	909
		Total	712,623

The above list dates from 1844 to the close of 1855, and comprises thirty-nine Private, and eight Joint Stock, Banks.

The above total of issues ceased under the following circumstances:—

		Authorized Issue.
18	Private Banks closed	£217,146
11	Ditto became bankrupts	175,778
10	Ditto issue Bank of England notes	157,612
8	Joint Stock Banks have dissolved	162,087
47		£712,623

At the close of 1855, the stringent state of the money market caused the Bank of England to raise its minimum rate of discount to 6 and 7 per cent., the latter being charged on bills having more than sixty days to run; and the bullion having diminished from £18,060,000 in June, to £11,230,000 in October, it was thought expedient to increase the amount of the Bank of England issues under the 5th section of the Act of 1844, which permitted the bank, under an Order in Council, to extend them beyond £14,000,000 to the amount of *two-thirds* of the country circulation withdrawn. As the total of such circulation then amounted to £712,623, the increased issues amounted to £475,000, which appeared in the Bank Returns for the 13th of December, 1855. The following is a copy of the Order in Council:—

"At the Court at Windsor, the 7th day of December, 1855: present the Queen's Most Excellent Majesty in Council.

"It having been represented to Her Majesty in Council by the Governor and Company of the Bank of England, by a memorial sealed with the seal of the said Governor and Company, and dated the 26th day of November, 1855, that certain bankers in the said memorial named, who, on the 6th day of May, 1844, were issuing their own bank notes to the extent of sums amounting in the aggregate to the sum of £712,623, have ceased to issue their own bank notes, and the Governor and Company thereupon humbly made application to be authorized, under the provisions of the Act passed in the 7th and 8th years of the Reign of Her Majesty, chapter 32, entitled 'An Act to regulate the issue of bank notes, and for giving to the Governor and Company of the Bank certain privileges for a limited period,' to increase the amount of securities in the Issue Department of the Bank of England, and to extend the issue of their own bank notes to an amount not exceeding *two-thirds* of the amount which the bankers so ceasing to issue were authorized to issue under the provisions of that Act: Now, it is this day ordered by Her Majesty, by, and with, the advice of Her Privy Council, that the said Governor and Company shall be, and they are hereby, authorized and empowered to increase the amount of securities in the Issue Department of the

Bank of England to the extent of £475,000, beyond the total sum or value of £16,000,000 in the said Act mentioned, and, therefore, to issue additional Bank of England notes from the said Issue Department in manner in the said Act mentioned to the amount of £475,000.

" (Signed) C. C. GREVILLE."

This is the first instance of extending the note circulation of the Bank of England under the Act of 1844 on Government securities, and that, after the Act had been in operation eleven years. It may, therefore, be fairly assumed, that the design and scope of that measure was to contract the paper circulation of the country by every possible means: 1. By prohibiting new banks of issue; 2. By not allowing banks to resume their issues which had ceased to issue notes; 3. By fixing the limit of notes in circulation to a period antecedent to the passing of the Bank Act; and 4. By extending the Bank of England issues only to *two-thirds* of the Country Bank notes withdrawn from circulation. The power of the Bank of England to throw obstacles in the way of the issuing banks, is further shewn by refusing to such banks any accommodation by way of discount; it is, therefore, clearly understood why, in times of monetary pressure, Country Banks, issuing under a fixed limit, are compelled to restrict their discount accommodation; for they have not, like the non-issuing banks, the same means of assistance. It may, however, be remarked that the increased power of the London Joint Stock Banks has, to a great extent, modified this restriction of the Bank of England. Mr. Cotton, in his evidence in 1848, assigns as a reason for not affording discount accommodation to issuing banks, that the Bank of England would then have to provide gold for the whole of the issuing banks in England and Wales, about 300 in number.

Since the Order in Council was issued in December, 1855, the following banks have ceased to issue their own notes:—

	Authorised Circulation.
Bath City Bank, G. Moger & Son	£4,572
Hertford and Ware, S. Adams & Co.	23,635
Hemel Hempstead, Smith & Whittingstall	23,842
Knighton Bank, Davies & Co.	9,090
Lichfield Bank, Palmer & Greene	22,786
Worcestershire Bank, Farley, Turner, & Co.	14,309
Cheltenham and Gloucestershire Banking Company	12,786
Total	£111,020

This makes the total circulation of Country Banks withdrawn, since the passing of the Act of 1844, £823,643.

The original amount of the fixed issues in England and Wales, under the Bank Act of 1844, were as follows:—

203 Private Banks, issuing	£5,153,407
72 Joint Stock Banks, issuing	3,495,446
Total England and Wales.....	£8,648,853

The following analysis will shew the changes in the amount of issues since the passing of the Act of 1844:—

Original fixed issues of 203 Private Banks.....	£5,153,407
Present fixed issues of 157 Private Banks (June, 1857)	4,497,809
Decrease	£655,598
Original fixed issues of 72 Joint Stock Banks	£3,495,446
Present fixed issues of 63 Joint Stock Banks (June, 1857)	3,303,357
Decrease	£192,089

Summary of Fixed Issues for England and Wales.

157 Private Banks' fixed issue	£4,497,809
63 Joint Stock Banks' ditto	3,303,357
Total fixed issues of Private and Joint Stock Banks ..	£7,801,166

From the above statements, it appears that the fixed issues of the Private Banks have diminished £655,598, and those of the Joint Stock Banks £192,089; making a total decrease of £847,687 in the fixed issues of the Private and Joint Stock Banks in England and Wales since the passing of the Act of 1844.

On comparing the actual with the fixed issues of the remaining banks of issue, the results are as follow:—

	Fixed Issue.	Actual Circulation.	Difference.
157 Private Banks....	£4,497,809	£3,450,014	£1,047,795
63 Joint Stock Banks	3,303,357	2,967,460	335,897
Totals....	£7,801,166	£6,417,474	£1,383,692

It, therefore, appears that the actual circulation of Country Bank notes has diminished to the present time, by the sum of £2,231,679 below the authorized issues of 1844.

The entire amount of notes in actual circulation in England and Wales, at the above named period, stood as below:—

Bank of England	£18,770,000
Private Banks	3,450,000
Joint Stock Banks	2,960,000
Total England and Wales	£25,180,000

It is not intended here to enter into the minute details of Country Banks and banking, but to give an outline of the system and its leading principles. Those who wish to obtain a thorough knowledge of the subject, are referred to a *Practical Treatise* thereon, written by Mr. GILBART, the General Manager of *The London and Westminster Bank;* a work which embraces, besides a great variety of statistical facts, a large amount of practical information, gained by the daily experience of banking business in all its departments. As the subject of Country Banks of issue, as controlled and influenced by the Bank Charter Act of 1844, both in reference to Private and Joint Stock Banks, has been very much discussed, the following "*Suggestions on the Country Circulation,*" extracted from Mr. GILBART'S "*Treatise,*" contain a great many observations that are pre-eminently of a practical character, and are worthy of consideration by those who continue to defend the restrictive principles of that law. He says:—

"When the subject of the Act of 1844 is brought under consideration, means should be employed to obtain some modification of those clauses that have reference to the *Country Banks.* The country circulation should be *preserved in its integrity—should be rendered capable of expansion,* so as to meet the demands of a more *numerous population—extended commerce—higher prices—and increased taxation.* Its issues should be allowed to be regulated by the *demands of trade and agriculture* in the respective districts in which the banks are established, and should be rendered, as much as possible, free from the operation of the foreign exchanges.

"We find that in 1844, when the country circulation had greatly declined, we took the actual circulation of the then existing notes and made it a *maximum* circulation; an arrangement which necessarily, from the fear of incurring penalties, reduced the amount of the actual circulation below the *maximum.* We apply this *maximum* to a circulation that fluctuated very much in different parts of the year. If, then, we keep below the *maximum* in April, we necessarily fall much lower in August. We divide this *maximum* amongst 277 banks, and impose heavy penalties upon every one that shall exceed his portion of the *maximum,* a circumstance that tends to reduce still further the actual

circulation. No one is forbidden to reduce his issue as low as he pleases; and if he abandons it altogether, only *two-thirds* can be supplied, and that by permission of the Government; and then only upon the *application of a bank whose head quarters are in London*, who is to get nothing *by the operation*, and whose issues are governed by laws which have been declared by the country bankers to be inapplicable to the operations of a local currency, and unsuitable to the requirements of domestic industry. This *maximum* must never be exceeded, while those banks that previously issued Bank of England notes are not allowed to resume their own circulation, and no new bank of issue is allowed to be established. The result of this arrangement has been, that an authorized issue in 1844 of £8,648,853 is now reduced to an authorized issue of £7,942,466; and that the actual circulation is generally below £7,000,000, and has been below £6,000,000; while every banker, in certain seasons of the year, has been compelled to watch the issue of his notes, lest he incur those enormous penalties which attend even the accidental violation of the Act." *

These views, it is believed, are generally entertained respecting the country note circulation under the Act of 1844; yet it is rather singular that Mr. GILBART, in suggesting a remedy to "correct its practical defects, would be governed by a regard to the *spirit* of the Act." Now it seems clear from his own analysis of the measure that this is the very thing to be avoided; for if it be necessary to preserve the country note circulation in its "integrity," there is not a single clause in the Act of 1844 that relates to it, but what is of an obstructive or of a restrictive character. The intention of the Legislature ultimately to prohibit the country note circulation, both of Private and Joint Stock Banks, is seen in every part of the Act having reference to it; setting at nought all the circumstances which Mr. GILBART has pointed out in his remarks, such as "a more numerous population—extended commerce—higher prices—and increased taxation." If these are amongst the principal elements to be considered in legislating upon the currency, surely a period of *thirteen* years must have rendered the Act of 1844 much more injurious in each of the above-named departments of our social system. It is impossible for an unprejudiced person to examine the Act of 1844, with regard to the country note circulation, without seeing that the design of that law was to extinguish it altogether: and if that be the *ultimatum*, what then is to be the substitute?

* See *Practical Treatise* on Banking, Vol. ii. pp. 498, 499. Sixth Edition.

Joint Stock Banks.

The Joint Stock Banks in England are divided into two classes, the issuing and the non-issuing banks. There are at present 22 non-issuing, and 63 Joint Stock Banks of issue in England. As the Joint Stock Bank issues are published weekly in the London Gazette, it is not necessary to give them here. The non-issuing Joint Stock Banks are as follow, with the amount of paid-up capital:—

	Paid-up Capital.
Ashton, Stalybridge, Hyde, and Glossop Bank	£25,000
Bank of Manchester	86,616
Bank of Liverpool	625,000
Bank of Stockport	60,000
Birmingham Banking Company	200,000
Birmingham and Midland Bank	129,100
Birmingham Town and District Banking Company	75,000
Bucks and Oxon Union Bank	55,000
Devon and Cornwall Banking Company	100,000
Glamorganshire Banking Company	100,000
Hampshire Banking Company	80,000
Liverpool Borough Bank	750,000
Liverpool Commercial Banking Company	326,400
Liverpool Union Bank	300,000
Manchester and Salford Bank	282,300
Manchester and Liverpool District Bank	750,000
Newcastle Commercial Banking Company	50,000
Northumberland and Durham District Bank	638,236
Preston Banking Company	100,000
Royal Bank of Liverpool	600,000
Sheffield Union Banking Company	27,040
Union Bank of Manchester	240,000
Total	£5,999,692

The above banks are all of them situated in the principal manufacturing and trading districts of the kingdom, and so far the limitation of sixty-five miles distance from London, given to the Bank of England, exercises but little influence; but as these banks issue only Bank of England notes, they have at different periods experienced considerable difficulties, and have undergone many changes. The Joint Stock Banks that have stopped payment up to a recent period are as follows:—

	Date of Stoppage.
Birmingham Borough Bank, Birmingham	1840.
Bank of Manchester, Manchester	1842.
Cheltenham and Gloucester Banking Company	1856.
Commercial Bank of England, Manchester	1840.
Imperial Bank of England, Manchester	1839.
Leamington Bank, Leamington	1837.
Leeds and West Riding Bank, Leeds	1846.
Liverpool Banking Company, Liverpool	1847.
Newcastle Joint Stock Bank, Newcastle	1846.
North of England Bank, Newcastle	1847.
Sheffield and Retford Bank, Sheffield	1846.
Southern District Bank, Southampton	1841.
Walsall and South Staffordshire Bank, Walsall	1840.
Western District Bank, Devonport	1844.
Yorkshire Agricultural and Commercial Bank, York	1843.

In addition to the above, the following Joint Stock Banks have terminated their affairs by winding-up:—

	Date.
Albion Bank, Liverpool	1842.
Alliance Bank, Manchester	1841.
Commercial Bank of Leeds	1846.
Northern and Central Bank of England, Manchester	1836.
Oldham Banking Company	1847.
Phœnix Bank, Liverpool	1838.
Suffolk Banking Company, Ipswich	1845.
South Lancashire Bank, Manchester	1843.
Yorkshire District Bank	1843.

The great monetary pressure of 1847 caused the following Joint Stock Banks to stop payment; but they soon afterwards resumed business:—the Royal Bank of Liverpool; North and South Wales Bank, Liverpool; and the Union Bank of Newcastle, at Newcastle-upon-Tyne: the last bank has since wound up its affairs. A number of Joint Stock Banks have been merged into other Joint Stock Banks; while several Private Banks have been registered as Joint Stock Banks, by having increased the number of partners beyond six persons. In connexion with the Joint Stock Banks that have failed at different periods there is a great variety of statistical information; but it lies scattered over such a wide field, and is so imperfect in its arrangement, that it cannot conveniently be introduced into this publication.

The Law of Private and Joint Stock Banking in England.

Private Banks.

The laws which regulate *Private* banking in *England* may be said to be almost entirely merged in the Bank Act of 1844. The number of partners in a Private Bank under that law cannot exceed *six* in number. Those who carry on the business of banking, and issue notes, must pay for an annual licence £30, and a stamp duty upon their notes in circulation, which apply both to Private and Joint Stock Banks. The stamp duties chargeable upon bank notes issued in Great Britain are as follow:—

	£	s.		£	s.	s.	d.
Not exceeding..	1	1	.....			0	5 each
Exceeding	1	1	and not exceeding	2	2	0	10
,, ...	2	2	,,	5	5	1	3
,, ...	5	5	,,	10	0	1	9
,, ...	10	10	,,	20	0	2	0
,, ...	20	0	,,	30	0	3	0
,, ...	30	0	,,	50	0	5	0
,, ...	50	0	,,	100	0	8	6

Notes of the above amount may be re-issued as often as thought fit.

Country Banks are also allowed to compound for these duties at the rate of 3*s.* 6*d.* per cent. half-yearly, on the amount in circulation; a plan which most of the bankers avail themselves of, as appears by the amount of duty paid. The returns for 1855 shew that in England and Wales only £3,418 were paid on the *notes*, while £31,680 were paid by *composition*. There has been a considerable diminution in these duties since the passing of the Act of 1844. In that year, the duty paid amounted to £93,690; but in the succeeding year it was reduced to £40,294. The fluctuations in the note circulation, both of Private and Joint Stock Banks, are influenced by nearly the same causes, separating the agricultural from the manufacturing and trading districts, and are each governed by the activity or depression of business; for, by a reference to the returns, it may be seen that they both expand and diminish together in their total amounts. Variations in prices also constitute an

important element under this head. It must, however, be observed, that a great variety of causes has been in operation during the last ten years, tending to economize the country note circulation: such as railway and telegraphic communication, an extended system of cheap postage, and the admission of the London Joint Stock Banks to the "*Clearing House.*" The following statement of the amounts of duty on bank notes paid in each year from 1839, when it reached the highest point since the war, contains some interesting facts connected with the bank note circulation of this part of the kingdom:—

	Paid on Notes.			Paid by Composition.			Total of England & Wales.		
	£	s.	d.	£	s.	d.	£	s.	d.
1839	14,827	12	1	96,351	0	0	111,178	12	1
1840	12,322	7	11	95,987	10	6	108,309	18	5
1841	11,526	1	7	92,828	4	0	104,354	5	7
1842	7,264	1	4	86,454	12	9	93,718	14	1
1843	9,907	18	0	84,444	6	0	94,352	4	0
1844	10,195	8	4	83,495	6	10	93,690	15	2
1845	10,746	9	7	29,548	6	6	40,294	16	1
1846	9,733	19	2	31,382	2	0	41,116	1	2
1847	9,836	8	4	31,631	17	6	41,468	5	10
1848	3,750	8	4	26,438	0	6	31,378	2	8
1849	5,294	4	2	26,083	18	6	30,188	8	10
1850	11,603	18	9	26,255	1	6	37,859	0	3
1851	3,872	18	9	27,838	5	6	31,711	4	3
1852	8,903	14	2	28,671	9	0	37,575	3	2
1853	8,801	7	6	30,277	7	0	39,078	14	6
1854	3,930	5	10	31,727	11	6	35,657	17	4
1855	3,418	16	8	31,680	14	0	35,099	10	8

The annual amount charged for a banker's licence has continued the same since 1815, when the total duty amounted to £30,560. The highest amount since that year was in 1837, when it reached £36,912 for England and Wales, giving an average of 1,230 licences. The number of failures of banks which occurred amongst bankers between 1837 and 1841, caused a considerable decrease in the amount paid; for in the latter year it only amounted to £20,130, giving an average of 671 licences. In 1852 it had declined to £17,550, giving an average of 551. The following comparison between the English and

Scotch bank licences from 1845 is interesting, the rates in both countries being the same:—

	Licence Duty paid in England.	Licence Duty paid in Scotland.
	£	£
1845	19,080	2,820
1846	18,480	3,510
1847	18,570	4,230
1848	18,210	3,900
1849	17,910	3,690
1850	17,640	4,770
1851	17,670	4,440
1852	17,550	4,860
1853	18,030	5,190
1854	17,850	6,240
1855	18,300	9,690

The remarkable increase in the Scotch Banks is doubtless owing to the expansive power conferred upon those banks by the Act of 1845, while in England the number of licences has diminished under the Act of 1844.

The Law of Joint Stock Banking in England and Wales.

The laws for the regulation of Joint Stock Banks in England and Wales since 1844 are of two distinct characters. Prior to 1826, in order to maintain the privileges conferred on the Bank of England, no banking partnership could be established with more than *six* partners; but in that year the Act 7 Geo. IV. c. 46, was passed, which permitted the formation of Joint Stock Banks at any place exceeding *sixty-five* miles in distance from London; within that circle all Joint Stock Banking was prohibited. The same Act was also the first that empowered the Bank of England to establish branches, and to carry on business in any part of the country. It was not until the renewal of the Bank of England Charter in 1833, that Joint Stock Banks were allowed to have an agent or agents in London. There was, however, no special enactment to that effect, but it was inserted in the Bank Charter Act of that year; and the first London Joint Stock Banks were soon afterwards established. The Act of 1826 is, therefore, the fundamental law of Joint Stock Banks, both in London and the country, from that

date to the passing of the 7 and 8 Vict., cap. 113, in 1844. The following is an epitome of the several sections:—

1. This section recites the privileges granted to the Bank of England, and concedes that of confining banking co-partnerships to *six* in number, provided they carry on their business at any place in England exceeding *sixty-five* miles from London: also permits such co-partnerships to issue notes, payable on demand, within the same limits, making *every member* liable and responsible for *all the debts* incurred by the corporation, notwithstanding any agreement or covenant to the contrary.

2. Restricts such banks from issuing or re-issuing *in London*, or within sixty-five miles thereof, any bill or note, or bank-post bill, payable to *bearer on demand*, or any bill of exchange, payable on demand, or for a less sum than £50; but makes it lawful to draw any bill of exchange amounting to £50 or upwards, payable in London or elsewhere, at any period *after date* or *sight*.

3. Enacts that such co-partnerships cannot borrow, owe, or take up in London, or any place within *sixty-five miles* thereof, any sum or sums of money on any bill or promissory note of such co-partnership, payable on demand, or at any less time than *six months* from the time of borrowing; but they are allowed to discount in London or elsewhere any bills of exchange, *not drawn by or upon* such co-partnership, or on any person in their behalf.

4. Every such bank to deliver, before issuing any notes to the Commissioners of Stamps in London, the names and places of residence, and also the names and places of abode of *two* other persons, who have been appointed as public officers of the co-partnership, with the title and description of every public officer respectively, in the name of any one of whom they shall sue and be sued. Also, to give the name of any town and place where their notes are issued by them or their agents, and the amount of such issues, which are to be delivered and filed at the Stamp Office, in London, where they may be inspected from time to time, on payment of *one shilling*.

5. This clause enacts that all such accounts or returns shall be made out every year by the Secretary, or one of the public officers of the bank, verified on oath before a Justice of the Peace, between the 28th day of *February* and the 25th day of *March* in every year.

6. A copy of such accounts, verified by one or more of the Commissioners of Stamps, to be evidence in all proceedings, civil or criminal, and a proof of the appointment and the authority of the officers named therein.

7. The Commissioners of Stamps to give certified copies of such returns to any person applying, on payment of *ten shillings*.

8. In case of any change of officers or members, or any new or additional towns, where notes are intended to be issued, and where the same are made payable, such further accounts to be made out from time to time, as often as occasion renders it necessary, in accordance with a prescribed form.

9. Co-partnerships to sue and be sued in the name of their public officers, in all proceedings at law or in equity under any commission of bankruptcy; for recovery of debts or recovering any claims due to the co-partnership, such

officer to be the nominal plaintiff or petitioner. The same rule to apply to all indictments, informations, and prosecutions for stealing or embezzling money, goods, effects, bills, notes, securities, &c., with intent to injure or defraud the co-partnership.

10. Only one action can be brought against such co-partnership to recover one demand, and such action may be pleaded in bar of any other action or suit for the same demand against any other public officer of the co-partnership.

11. Enacts that all decrees and judgments against any public officer shall have the same effect against the co-partnership, and the *property of every member*.

12. The bankruptcy or insolvency of any such public officer in his individual capacity not to be construed into a bankruptcy or insolvency of any such co-partnership; and the capital stock and effects shall be liable to attachment, and liable to all lawful claims and demands by the creditors of such co-partnership.

13. Execution obtained upon any judgment against a public officer, whether as plaintiff or defendant, may be issued against *any member* or members of the co-partnership, before or after the contract was entered into and executed; but not without leave of the Court in which judgment has been obtained; nor yet against any member who shall have ceased to be a member of the co-partnership *three* years.

14. Every public officer of such co-partnership to be indemnified *in full* for all losses, costs, damages, &c., without any deduction.

15. Empowers the Bank of England to carry on the business of banking in any place or places in *England*, or to appoint committees or agents to do so; and to issue to such committees or agents cash, bills of exchange, bank notes, promissory notes, and bank post-bills, and other securities for the payment of money, provided that any such notes issued are made *payable in coin* at such places, as well as in *London*.

16. Banking co-partnerships, established under this Act, to issue their notes on unstamped paper on giving bond, in which two of the Directors, with the Cashier or Cashiers, or Accountant or Accountants employed, are made the obligors, and by paying a composition of 7*s*. per cent. on the amount of notes in circulation.

17. No banking co-partnership is compelled to take out more than *four* licences for issuing notes payable on demand.

18. This section imposes a penalty of £500 for every week in which the co-partnership shall neglect to send in their returns, as specified under sect. 4 & 5; for making false returns £500, and £100 by every officer signing such false returns.

19. Imposes a penalty of £50 for every offence upon any co-partnership issuing or reissuing in London, or at any place within sixty-five miles thereof, any bill or note of such co-partnership payable on demand, and for drawing upon any person resident in London, or within sixty-five miles thereof, any bill of exchange payable on demand, or for less than £50; and for borrowing, owing, or taking up in London, or within sixty-five miles thereof, any money on any bill or promissory note of such co-partnership, payable on demand, or

at any time less than *six months* from the borrowing thereof, or for making or issuing any bill of exchange or promissory note contrary to this Act.

20 The rights, powers, and privileges of the Bank of England to be maintained, except as specially varied by this Act.

21. All penalties to be recovered under this Act, to be sued for in the Court of Exchequer, Westminster.

This is the law under which the Country Joint Stock Banks were cradled into existence in *England;* and it requires not much skill to discover how little the public interest was consulted in passing this Act: for it would be impossible to throw a more impenetrable veil of security over the monopolies, powers, and privileges of the Bank of England, than is found throughout every part of this enactment. But to arrive at the state of the Joint Stock Banking law of England as it exists at present, it will be necessary to refer to the two subsequent Charters of the Bank of England, viz., in 1833 and 1844. In the former year strong apprehensions were entertained that on renewing the Bank of England Charter, further interference with the freedom of Joint Stock Banks would be made, anticipations which have always prevailed at the time the expiration of the Bank Charter was near at hand; such interference, however, was loudly protested against at Manchester, by the Manchester and Liverpool District Banking Company, who reminded Government that Lord Liverpool and Earl Ripon stated distinctly, that the object of the Act of 1826 was to introduce into this country the system of banking adopted with so much success in Scotland. As the time is at hand for the re-consideration of this subject, it may not be inappropriate to give an extract from this document, as well as the propositions of Lord Althorp, the Chancellor of the Exchequer, under Earl Grey's Government. These propositions were as follows:—

"That any Banking Company of more than six partners should be a Joint Stock Company, to be established by charter at the *discretion of the Government.* That if using Bank of England paper, *one-fourth* only of the subscribed capital must be paid up. The partners shall be liable only for the *amount of their shares*, and banks might be established within the *Bank of England's district:* but that, if issuing their own notes, the Bank of England's district should not be entered—*one-half* the subscribed capital should be deposited in approved securities, and the liability of partners *unlimited.*"

It may be seen that every attempt has been made upon each renewal of the Bank Charter, to push into circulation the notes

of that establishment, and to withdraw those of other banks, or load them with unjustifiable restrictions and prohibitions: now this is not calculated to improve the laws relating to banking, but to encumber them with difficulties—to uphold a single monopoly, to the great disadvantage of the public, who are interested in the adoption of such a system of banking laws as is consistent with justice to all who enter into that business, and in accordance with the advancing spirit of the age. The following is an extract from the document addressed by the Manchester and Liverpool District Banking Company to Earl Grey's Government:—

"According to the statement referred to, Government proposes that *half* the subscribed capital of all banks, which issue notes, shall be paid up and deposited in such securities as may seem proper to Parliament; that the responsibility of the partners shall be *unlimited;* and that their accounts shall be periodically published. In the case of banks not issuing notes, only *one-fourth* of the subscribed capital is to be paid up, and the responsibility of the shareholders is to be *limited.* These regulations to be both prospective and retrospective. It is submitted, for the reasons already stated, that these regulations ought not to be applicable to any bank established, like the Manchester and Liverpool District Bank, in pursuance of the Act 7 Geo. IV. c. 46. But granting it were otherwise, the Directors object altogether to the regulations indicated by Lord Althorp; they contend, first, that except in so far as the *issue of notes* is concerned, *banking is essentially a private business,* with which the State has no more title to interfere than it has to interfere with any other description of mercantile agency. I, A. choose to deposit money in the hands of B., who lends it to others; why is the interference of Government more necessary than if A. had deposited in the hands of C., who employs it in manufactures or agriculture? It is the duty of Parliament to take care that *coins,* and the *paper notes issued as substitutes* for them, be always of their professed value; but assuredly it is no part of its duty to inquire into the solvency of those into whose hands coin or paper may come. They contend, secondly, that, admitting it to be right to exact security from banks of issue, that it should not be done by the compulsory investment of a portion of their capital.

"The issues of one bank may be more than twice or three times the amount of its capital, whilst those of another, placed in a different situation, or conducted in a different way, may be under a third or fourth part of its capital. What, then, could be more unequal as respects the banks, and more illusory as respects the public, than to oblige both these establishments to give security for their issues, by vesting half their capital in Government stock? Were the first bank to stop payment, the security in the hands of Government would not afford the holders of notes more than from 3*s.* 4*d.* to 5*s.* in the pound; while, were the latter in the same predicament, the holders of its

notes would be paid in full out of the Government securities; and there would be a large surplus over. It is clear, therefore, that the security to be given by a bank of issue ought to be *proportioned to its issues,* and not to its *capital.* The former will effectually protect the public from loss; the latter gives little, or rather no protection whatever.

"On the hypothesis that security is to be given by the issuers of notes, the question is, what ought to be its amount? Now, in this matter we have experience to refer to. The issues of the Bank of England have been often much above, and are seldom under, twenty millions. At present the capital of the Bank is £14,686,000, but one-fourth of it is to be paid off; so that the future capital of the Bank will be about £11,000,000; and from the past experience it may reasonably be supposed that its issues, under the present system, would, in ordinary circumstances, be about double the amount of its capital; but if the scheme for making Bank of England notes *legal tender* be adopted, an increase of its issues to three or four times the amount of its capital may be fairly anticipated, while there is no provision in the plan for giving additional security to the public. All, therefore, that can fairly be required from Joint Stock Banks on Lord Althorp's own principle is, that they give security for their issues in the same proportion in which it is to be given by the Bank of England. The security for the notes of a Joint Stock Bank would really, under such a regulation, be preferable to that for the notes of the Bank of England; for all the partners of the former are liable to the *whole extent of their fortunes for the debts of the concern,* while the Bank of England proprietors are liable only to the *extent of their shares.* Supposing security to be given for the issue on the principle now stated, the amount required would be learned by the weekly returns made to the Stamp-Office; and there can be no objection on the part of this Company to furnish such returns in the manner that shall be considered most satisfactory to the Government, so that no doubt may be entertained of its being of the necessary value.

"There can be no doubt that the Legislature intended by the Act 7 Geo. IV., c. 46, to encourage the formation of Joint Stock Banking Companies, but should Lord Althorp's plan be adopted, a very different policy will be sanctioned. According to the noble Lord's proposal, a Joint Stock Bank, though it had 1,000 partners with unlimited responsibility, and £1,000,000 of capital, would not be allowed to put a single note for £5 in circulation, till it had lodged £500,000 in Government securities; whereas a private bank, with one, two, or three partners, would be allowed an unlimited issue, without giving any security whatever. It is impossible for partiality and preference to go further. We protest against being made the victims of any such system of favoritism. Let all issuers be subjected to the same rules and regulations. All that the Directors wish for, is not to be trammelled unnecessarily, but to be allowed to come into the field on the like fair terms as other issuers.

"Notwithstanding, it is our firm conviction, that the public have no right to enquire into the solvency or credit of those who undertake the *business* of banking, *without issuing notes,* still it is of importance that the public should in all cases know with whom they are dealing, and that those undertaking engagements should have no means of evading the responsibility attached

thereto. It is, therefore, suggested that, in all banking companies, whether for the issue of notes or not, lists should be annually published, by authority, of the names of the shareholders, with a statement of the amount of *the capital paid up*, and the *current prices of shares*, and that all the partners should be individually responsible for the debts of the firm. The additional publicity required in the case of banks of issue would be matter for separate discussion and arrangement."

The effect of this remonstrance was not to extend the privileges of the Bank of England, but to diminish them: and the Charter Act granted to the corporation in 1833 has been considered more in conformity with the times than any one enacted since its foundation, though it left a number of restrictions untouched that still require to be removed. This Act retained the exclusive privileges of the issuing of notes within the limit of sixty-five miles from London; but Joint Stock Banks were for the *first* time allowed to have an agent or agents in London; and co-partnerships exceeding six in number were allowed to carry on the business of banking in London or within sixty-five miles thereof, provided they do not borrow, owe, or take up in *England* any sums of money on their bills and notes on demand, or at any less time than six months from the borrowing thereof. Bank of England notes were made a *legal tender* for all amounts "*above* Five pounds," except at the Bank in London, and its Branch Banks: and the notes of the Bank issued at the branches were made payable *on demand* only at the places where issued, and not in London. *One-fourth part* of the debt due from the public, amounting to £14,686,800 (see *Bank of England*), was to be paid off.

This Act left the Joint Stock Banks nearly as they stand at present. The Bank Act of 1844, which has virtually expired, was evidently intended to extinguish the country note circulation and substitute the Bank of England notes instead: this is too clear throughout the Act to admit of a doubt, though fixing the amount of the circulation of existing banks, and prohibiting any new banks of issue, is all that has yet been accomplished. It remains to be seen in what direction the Government will proceed to legislate upon this highly important subject at a future time.

The Joint Stock Banking Law of 1844.

On the renewal of the Bank of England Charter in 1844, the law of Joint Stock Banking was regulated by a separate Act, the 7 and 8 Vict., cap. 113, and all Joint Stock Banks formed subsequently to that period are subject to the provisions of that enactment. The following are its principal features :—

1. No Joint Stock Bank to be established after the 6th of May, 1844, except by virtue of letters patent: but banks previously established are not restrained from carrying on business until letters patent have been granted.

2. Every Joint Stock Banking Company to petition Her Majesty in Council before commencing the trade or business of banking, for a Charter, such petition to be signed by *seven* members of the said Company, and the additions of all partners, with each of their names and addresses; the name of the proposed bank; the name of the place where the business is to be carried on; the proposed amount of capital (*which in no case is to be less than* £100,000); and the means by which it is to be raised; the amount of capital stock then *paid up*, and where, and how, invested; the proposed number of shares; and the amount of each share not to be less than £100.

3. The Charter to be granted on the Report of the Board of Trade, so soon as the Lords of the Committee shall have reported to Her Majesty that the provisions of the Act have been complied with, if Her Majesty think fit, with the advice of Her Majesty's Council.

4. Every such Banking Company to prepare a deed of settlement, according to a form to be approved by the Lords of the Committee, which shall contain, in addition to any other provisions that may be inserted, the following :—

1. For holding ordinary general meetings, at least, *once a year*, at an appointed time and place.
2. For holding extraordinary general meetings of the Company, upon the requisition of *nine* shareholders, or more, who shall possess, at least, *twenty-one shares* in the partnership.
3. For the management of the affairs of the Company, and the election and qualification of the Directors.
4. For the retirement of, at least, *one-fourth* of the Directors *yearly*, and for preventing their re-election for, at least, *twelve* calendar months.
5. For preventing the Company from *purchasing any shares*, or making *advances of money*, or *securities* for money, to any person, on the security of a *share or shares* in the partnership.
6. For the publication of the assets and liabilities of the Bank at least once in every *calendar month*.
7. For the *yearly audit* of the accounts of the Company by two or more auditors, chosen at a general meeting of the shareholders.
8. For the *yearly* communication of the auditor's report, and of a balance-sheet and profit and loss account to every shareholder.
9. For the appointment of a manager, or other officer to perform the duties of manager.

Such deed must be executed by the holders of, at least, *one-half* of the said shares, on which not less than £10 per share of £100 each, and in the same proportion for every share of larger amount, as shall *then* have been paid up, and annexed to the petition, the provisions of which deed must be set forth in the Charter.

5. No Joint Stock Banking Company to commence business until such deed has been *executed, all the shares subscribed for, and, at least, half the amount paid up:* and it shall not be lawful for the Company to repay any part of the sum so paid up without leave of the Lords of the said Committee.

6. Enacts that the shareholders in the Company, or their executors, administrators, successors, or assigns respectively, shall become one body politic and corporate by the name given to them in the letters patent; and by that name to have perpetual succession and a common seal; with power to purchase and hold lands of such annual value as shall be expressed in such letters patent; the Charter to be granted for a term not exceeding *twenty* years, subject to such other provisions and stipulations as to Her Majesty may seem fit.

7. The incorporation of any such Banking Company NOT TO LIMIT THE LIABILITY of shareholders for the time being, nor of the executors, administrators, successors, or assigns; but they shall be and continue liable for *all* the dealings, covenants, and undertakings of the Company, subject to the provisions of this Act, the same as if they were *not incorporated.*

8. No action or suit against the Company to be in anywise affected by the plaintiff or defendant being a shareholder or former shareholder of the Company: but any shareholder, alone, or jointly, to have the same action and remedy against the Company as if such action had arisen with a stranger.

9. Every decree or judgment of any Court of Justice against the Company to have the same effect upon the person and property of *every* shareholder, subject to the provisions of this Act.

10. Execution upon any judgment, decree, or order obtained in any Court of Justice to be issued first against the property of the Company, and if not satisfactory, against the property and person of *any shareholder* at the time when the *cause* of action arose against the Company: Proviso, that no person having ceased to be a shareholder shall be liable *for the payment of any debt on which such judgment or decree has been obtained, after the expiration of three years from the time when he shall have ceased to be a shareholder.*

11. Enacts that individual shareholders shall be reimbursed out of the property of the Company, or, in default thereof, by contribution from the other shareholders.

12. Individual shareholders paying damages, costs, &c., under execution, can recover such monies by execution against the Companies' property.

13. Shows the mode of proceeding to obtain such execution.

14. Enacts that when damages, costs, &c., have not been recovered from the Company, the amount may be divided into as many equal parts as there are shares in the capital stock of the Company (not including shares under forfeiture), and every shareholder, or his representative for the time being, shall pay on demand one or more of such parts, in proportion to the number of

shares he may hold in the Company, and on his refusing to do so, he shall be liable to be sued for such refusal or neglect in any of Her Majesty's Courts of Record at Westminster, or in any other Court having jurisdiction.

15. Applies a remedy to recover similar monies in case of bankruptcy or insolvency of any shareholder.

16. Enacts that within *three months* after letters patent are granted to the Company, and *before the Company shall begin to carry on business as bankers*, a memorial be made out according to a prescribed form in the Act, which shall contain the true title and firm of the Company, the names and places of abode of all such members as shall appear on the books, and also the name and place of abode of every officer of the Company, and the name or firm of every bank or banks established by such Company, and the name of any town or place where the business shall be carried on: and a *new account* or memorial of the same particulars shall be made by the Company in *every year*, between the 28th day of February and the 25th day of March, while they shall continue to carry on their business as bankers, to be delivered to the Commissioners of Stamps and Taxes in London, who shall cause the same to be filed, and an entry made in a book to be kept for that purpose, which any person shall have liberty to search and inspect on payment of *one shilling*, for every time of searching: also that the Company, from time to time, shall cause their said list to be printed, and kept in a *conspicuous place, accessible to the public, in their office or principal place of business.*

17. In case of any addition or alteration being made in the names or places of abode of any officers of the Company, or any changes being made in the names and addresses of persons becoming members, a further memorial to be presented to the Commissioners, and to be filed as before mentioned.

18. The several memorials aforesaid to be signed by the Manager or *one* of the Directors of the Company, to be verified by *declaration* before a Justice of the Peace or a Master in Chancery, pursuant to the Act 5 & 6 Will. IV., c. 62.

19. Enacts that a true copy of such memorial, certified by *one* of the Commissioners, shall be received in evidence as proof of its contents, without requiring that the person verifying it was at the time of such verification a Manager or Director of the Company.

20. Certified copies to be had by applying to the Commissioners of Stamps, on payment of *ten shillings.*

21. The persons whose names shall appear in the *last delivered* memorial, and their *legal representatives*, to be liable to all legal proceedings under this Act.

22. All bills of exchange or promissory notes made, accepted, or endorsed on behalf of the Company, to be signed by *one* of the Managers or Directors, and expressed to be done on behalf of the Company: but such Manager or Director only to be liable on behalf of the Company, and to sue and be sued on their behalf.

23. Every shareholder may sell and transfer his shares by a deed duly stamped, in which the consideration is truly stated by a prescribed form; the same, when executed, to be handed to the secretary, who shall enter a memorial in a book called the "Registers of Transfers," and endorse such entry

on the deed of transfer: for every such entry the Company to demand a sum not exceeding *two shillings and sixpence* for such entry: and until such transfer has been delivered to the secretary as aforesaid, the purchaser to be entitled to no share of the business, or to vote in respect of such share.

24. No shareholder to be entitled to transfer any share until he shall have paid up all calls that are due at the time.

25. The Directors may close the "Register of Transfers" for a period not exceeding *fourteen days* previous to each ordinary meeting, and fix a day for the same by giving *seven days'* notice by advertisement in some newspaper: and any transfer made during the time shall be considered as made *subsequently* to such ordinary meeting.

26. The interest of registered shares transmitted by death, bankruptcy, or insolvency of any shareholder, or by marriage of a female, or any other legal means than by regular transfer, must be established by a declaration in writing, in such a manner as the Directors require, made, and signed, by some credible person before a Justice of the Peace or a Master in Chancery, and to be left with the secretary, who shall enter the same in the "Register Book," and charge a sum not exceeding *two shillings* for every such entry.

27. In case of transmission by virtue of marriage, or by any testamentary instrument, the declaration to contain a copy of the marriage register, declaring the identity of the wife, or an official extract from probate of will, or letters of administration; and in either case the secretary to make an entry of the declaration in the "Register of Transfers."

28. Notices to proprietors of shares jointly held to be given to the one whose name stands *first* in the register, which is a sufficient notice to *all* the proprietors.

29. Receipts of monies due to minors, idiots, or lunatics, to be given by their lawful guardians.

30. The shareholders not to be bound to see to the execution of any trust, expressed or implied, to which their shares may be subject.

31. The Directors are empowered to make calls upon the respective shareholders, from time to time as they may think fit, in respect to the *capital stock subscribed.*

32. In case any shareholder do not pay up the amount of any call to which he is liable, to be liable to *interest* for the same at the rate of 5 per cent. per annum from the day appointed for the actual payment of the call.

33. The Company may sue any shareholder for the amount of call, with interest thereon, in any Court of Law or Equity.

34. Not necessary to set forth the special matter in any such action.

35. On trial of such action, not necessary to prove the appointment of the Directors who made such call.

36. The production of the Register Book of shareholders of the Company to be evidence of the defendant being a shareholder.

37. The Directors may declare any shares forfeited for the non-payment of calls, with the interest, after the expiration of *six calendar months* from the day appointed for such call; but such forfeiture not to relieve any shareholder from his liability to pay the calls due before such forfeiture.

38. Notice of forfeiture to be left at the usual or last place of abode of the person registered in the book of shareholders as the proprietor; or if transmitted by declaration, or the proprietor be not within the United Kingdom, public notice to be given in the *London Gazette*, *twenty-one days*, at least, before the declaration of forfeiture.

39. The forfeiture to be confirmed by a *general meeting:* and the Directors may afterwards sell such shares by public auction, or by private contract, within *six calendar months* next after the confirmation.

40. Evidence of such shares having been forfeited to be made by declaration before a Justice of the Peace or a Master in Chancery by some credible witness not interested.

41. The number of such shares sold not to exceed what is sufficient to pay the arrears due from defaulters on account of calls and interest; and if such sales realize more than is due, the surplus to be paid, *on demand*, to the defaulter.

42. If payment of arrears of calls and interest and expenses be made *before* such sales, the forfeited shares to revert to the owner of them.

43. Enacts that in any case where it is necessary to serve any notice, writ, or other proceeding, at law or in equity, upon the Company, the service may be made upon the Manager or Director for the time being by *leaving the same* at the principal office; or if the Company have *suspended, or discontinued business*, by serving *personally* such Manager or Director, or by *leaving the same* with some inmate at the usual place of abode.

44. Existing Banking Companies to be allowed to carry on their business twelve months after the passing of this Act.

45. Enacts that any existing Joint Stock Bank, carrying on the business of banking before the 6th of May, 1844, may petition to Her Majesty to carry on business under this Act, by the consent of *three-fourths in number and value* of the shareholders present at a general meeting called for this special purpose.

46. Agreements entered into by such Banking Companies to be enforced in the same manner as if they had not been incorporated.

47. The Act not to interfere with existing Companies who carry on banking within the distance of sixty-five miles from London, as far as relates to the powers and privileges of suing and being sued in the name of any *one* of the public officers of such co-partnership under the provisions of the 7th Geo. IV., cap. 46, provided such Companies deliver, from time to time, to the Commissioners of Stamps and Taxes the several accounts mentioned in that Act.

48. Banking Companies, consisting of more than six persons, to be deemed trading Companies within the provisions of an Act passed in this Session of Parliament, intituled, "An Act for facilitating the winding up the affairs of Joint Stock Companies unable to meet their pecuniary arrangements."

These comprise the chief regulations of the Joint Stock Banking law in England at the present moment. It scarcely needs to be added that the result of this law has proved not

only a complete failure as to the security afforded to the *depositors* of a bank, but it has proved that its provisions are such as may become ruinous to the shareholders, under a suspension of business, in consequence of the divided power conferred upon the Court of Chancery, and the Court of Bankruptcy. The case of the Royal British Bank is the first that has come within the practical operations of this law: and the contending authorities of the two Courts above mentioned have recently been so fully before the public as to shew that the Joint Stock Banking law of 1844 is a disgrace to the Statute book. It has further proved that so far from the number of shareholders in a Joint Stock Bank under *unlimited liability* being a security to depositors, the very reverse has been the case under this law. It is, however, desirable to examine briefly what are the defects of an Act which can lead to such disastrous consequences.

The Joint Stock Bank Act of 1844 was evidently intended by Sir Robert Peel to be a supplementary measure to the 7 and 8 Vict., cap. 32, in order to bring all newly established banks under the cognizance of the Government through the Board of Trade. But it has been strongly questioned by the highest legal authorities whether this course was a judicious one, even in point of law; inasmuch as the Joint Stock Companies Act 7 and 8 Vict., cap. 110, was introduced to abolish the right of perpetual succession granted to Chartered Corporations: for nothing can be more incongruous and inconsistent than to clothe a number of persons with corporate powers, and grant them perpetual succession, while by the same Act each individual member of the body politic can be sued to his last shilling. By a reference to the accounts of the Royal British Bank it will be seen that, had the property of the Company been subject to one undivided jurisdiction, the assets would have proved sufficient to have paid a fair rate of dividend: and it is essential that this point should be kept entirely distinct from the conduct of those who controlled the affairs of the bank. There can be no doubt that the funds of the depositors and the shareholders were disposed of in the most reckless and dishonest manner: but when that was at an end, the imperfections of the *law* with regard to the property that remained, produced consequences that were equally disastrous: and instead of the law being put in force as

the defender of justice and equity, it became the ruthless destroyer of every man's hopes, by its inconsistency, confusion, and delay. These are evils that demand an immediate remedy.

So far as this law is framed with respect to the management of a Joint Stock Bank, it will be found extremely imperfect: for not only is there no provision made for breaches of trust, but the Act does not contain a single penalty for the non-fulfilment of its provisions, while both the Joint Stock Bank Acts of 1826, and the Bank Charter Act of 1844, impose heavy penalties for non-compliance with their provisions with regard to accounts. An omission of this kind, of course, was easily discovered by any one disposed to avail himself of such advantages. Upon a careful review of the law, two very important changes, therefore, appear to be necessary: namely, to enforce certain regulations in regard to management with greater stringency, introducing penal clauses for breaches of trust, and for non-compliance with certain provisions of the law: and in case of dissolution or suspension, an undivided and undisputable power should be given over the assets of a Company, as well as the authority for calling upon the *entire body* of shareholders to contribute their just quota, instead of permitting, as at present, one single individual to be sued by a host of exasperated creditors, merely because there is a probability of recovering from him a greater share of their demands than is justly due from him.

Limited and Unlimited Liability in Banking.

There has been an opinion widely circulated that *unlimited liability* is one of the essential elements in the safeguards of banking law; and that by extending the principle to a great number of shareholders, the security of the depositors in a bank is rendered much more certain. The failure of the Royal British Bank has, however, proved this to be a delusion; and that, unless other circumstances are taken into consideration, the greater the number of shareholders, the greater will be the confusion and uncertainty attending bank failures.

The primary object of unlimited liability appears to have been to secure to the utmost all the property of persons entering into trading speculations, in case of failure. But however plausible this may appear as a security, *equity* demands that no man shall be called upon to pay more than his just proportion

of *losses*, any more than he can claim an unfair proportion of the *profits* due to him in any Joint Stock enterprise. While, therefore, the law permits any individual of a Joint Stock Company to be singled out and sued, there is a continual conflict between equity and security. There has been a great opposition to the introduction of limited liability into banks, because this distinction has not been correctly understood: and under losses that have inflicted severe distresses upon depositors, they have been rather disposed to exercise vengeance upon the shareholders than to seek for justice. But the shareholders in Joint Stock Banks have a different duty to perform: to them an improvement in the law of liability is imperatively necessary: otherwise the law which was intended to place Joint Stock Banks upon a wide and safe foundation will produce a directly contrary effect, by alarming shareholders instead of attracting them to invest in these undertakings.

There cannot be the slightest difficulty in framing a law by which every shareholder in a Joint Stock Bank should be liable to a certain amount, in case of failure, in proportion to his interest in the share capital. The introduction of such a principle into Joint Stock banking would invite men of capital and position to invest their property in them; whereas the present disreputable state of the law holds out every encouragement to unprincipled persons, and men of straw, to become directors and shareholders.

The recent disclosures amongst Joint Stock Companies have naturally shaken public confidence in these institutions; but it belongs to the managers of Joint Stock Banks themselves to move in this matter, and to shew that unlimited liability, by itself, is so far from being a security to bank depositors, that it has been proved to be wholly the reverse. If any illustration be required to prove the advantages of limited liability, they have only to refer to the Bank of England, the Bank of Ireland, and the Chartered Banks of Scotland, to establish their claim.

CHAPTER IV.

Banks and Banking in Ireland.

The banking system in Ireland has had to contend with the same difficulties that have been shewn to exist in England, the *Bank of Ireland* having been established upon the same exclusive principle as the Bank of England, by giving to it a radius of *fifty miles*, over which banking competition was strictly prohibited. The *Bank of Ireland* is of more recent origin than either the Bank of England, or the Chartered Banks of Scotland, the first attempts to establish a Chartered Bank in that part of the United Kingdom having failed from the want of capital to secure such an establishment. The restrictive clauses introduced into the original Charter granted to the *Bank of Ireland* have given rise to precisely the same evils that have for years been contended against in England: and to these, more than to any other cause, may be attributed the numerous banking disasters that have been experienced at different periods in the two countries. It is only where perfect freedom is extended to *all parties alike*, engaged in the same business, that competition discovers the true remedy for abuses and difficulties: but where the interest of one Company is upheld at the expense of all others, there is a constant warfare carried on, which necessarily terminates in the destruction of the weaker party, whatever may be the justice of its cause.

The *Bank of Ireland* was first established by Act of Parliament in 1782, under the 21 and 22 Geo. III., cap. 16, and commenced business in June, 1783. The capital, which consisted of £600,000 Irish currency,* was all lent to the Govern-

* Previously to the year 1828, the Irish currency was about 8⅓ per cent. less in value than the English currency. In that year the currencies of the two countries were assimilated.

ment at 4 per cent. on condition that certain privileges were to be granted. One of these was, that no banking partnership should be formed in Ireland which consisted of more than *six* persons. The Charter was to expire on twelve months' notice being given after the 1st of January, 1794; but in 1791 it was renewed under the 31 Geo. III., cap. 22, until the expiration of twelve months' notice after the 1st of January, 1816, on repayment of the original debt of £600,000, and interest thereon. By this Act £400,000 Irish currency was added to the capital; and for this it was agreed that £60,000 Irish currency should be paid to the Lord Lieutenant of Ireland.

In 1797 the Bank was authorized to increase its subscribed capital under the 37 Geo. III., cap. 50, when £500,000 Irish currency were subscribed, making the total amount £1,500,000. When the Bank of England suspended cash payments in this year, the same privilege was extended to the *Bank of Ireland.*

In 1808 the capital was increased by a further sum of £1,000,000 Irish currency, making the total £2,500,000; and £1,250,000 was lent to Government under the 48 Geo. III., cap. 103. The Charter was extended until twelve months' notice after the 1st of January, 1837. The Bank by this Act consented to manage the public debt and all future loans for the service of Ireland, free of all charges, during the existence of the Charter.

In 1821 the Bank was authorized to increase its capital by an additional sum of £500,000 Irish currency, under the Act of 1 and 2 Geo. IV., cap. 72; which amount was advanced to Government at 4 per cent., to be repaid by the 1st of January, 1838. By this Act the notes of the *Bank of Ireland* were received in payment of the revenue; and banks, without any limitation in the number of partners, were permitted beyond the distance of *fifty miles* from Dublin, and to issue notes, *payable on demand:* but it was expressly enacted that no further privileges should be granted to any co-partnership or society engaged in banking until the 1st of January, 1838. Owing, however, to the restrictions that still existed on banking in Ireland, under an old Act 29 Geo. II., cap. 14, no new companies were formed: and it was not until the merchants of Belfast had petitioned Government to remove these restrictions in 1824, that they were repealed by the 5 Geo. IV., cap. 73. This was the

first attempt to legislate for the introduction of Joint Stock Banking into Ireland. This Act left the debt due from Government to the Bank of Ireland at £2,850,000 Irish currency, or £2,630,769 4*s.* 8*d.* sterling, which was converted into an annuity of £115,384 12*s.* 4*d.* sterling, payable half-yearly, on the 5th of January, and the 5th of July, in each year, under the 3 and 4 Vict., cap. 75, redeemable on six months' notice being given after the 1st of January, 1841. By the Act of 8 and 9 Vict., cap. 37 passed in 1845, this annuity was reduced to £92,076 18*s.* 5*d.*, being at the rate of about 3½ per cent. per annum on the total debt due to the Bank of £2,630,769 4*s.* 8*d.*, which sum was not to be repaid until six months' notice given by either party after the 1st of January, 1855.

By the Charter of the *Bank of Ireland*, the Corporation consists of a governor, deputy-governor, and fifteen directors, of which the governor, deputy, and eight or more of the directors are considered to form a *Court of Directors*. There are *fifteen* directors chosen annually, between the 25th of March, and the 25th of April, in each year; and not more than two-thirds of the directors of the preceding year can be re-elected. The qualification of a governor is £4,000; for a deputy-governor £3,000; for a director £2,000; and for a qualification to vote at a General Court £500 stock, to be held for six months prior to any General Court. A notice for the meeting of any General Court of Proprietors to be affixed upon the Royal Exchange, Dublin, at least two days before the meeting. The governor, or deputy-governor, to summon *four* General Courts at least in every year, namely, in April, July, September, and December. The governor shall also summon a General Court whenever requested by *nine* members, each holding £500 stock. The governor and deputy-governor or chairman are not to vote in General Courts, or Courts of Directors, except when an equal number of votes are given on each side of a question. No dividend is allowed at any time to be paid by the Company, except from the interest, profit, or produce of the capital, stock, or fund, by which its dealings are carried on; nor without the consent of the members of the Corporation in a General Court qualified to vote.

The Joint Stock Banking Law of Ireland.

The evils which have been inflicted upon the commercial and industrial progress of Ireland and its banking laws have been far greater than in England, because of her inability to recover from such difficulties. By the report of the Committee on Irish Exchanges, in 1804, there were then fifty registered banks in that country: there were several other banks subsequently established; but nearly the whole of them failed at different periods, involving the country in great distress; the only exceptions were four banks in Dublin, three at Belfast, and one at Mallow. In the year 1821 there were no less than eleven banks broken up nearly at the same time. It was at this stage of banking difficulties in Ireland that the Government was persuaded to allow Joint Stock Banks to be established in that country at a distance of *fifty miles* from Dublin, 1 and 2 Geo. IV., cap. 72; but still the law of banking was encumbered with absurdities and restrictions of the most arbitrary character, and in 1825 the Act 6 Geo. IV., cap. 42, was passed through the influence of the Provincial Bank of Ireland. This Act introduced nearly the same regulations into Joint Stock Banks in Ireland as the Act of 1826 did in England. They were required to register at the Stamp Office in *Dublin* the names of the partners, &c., and were allowed to sue and be sued in the name of their public officers: all transfers of shares were to be registered at the Stamp Office, and execution of a judgment might be issued against *any member* of a co-partnership.

The last Act of Parliament in reference to banks and banking in Ireland is that of 1845, the 8 and 9 Vict., cap. 37, by which the banks of issue were made subject to new regulations, and were introduced in connexion with the renewal of the Charter of the *Bank of Ireland* which was extended for ten years, and subject to twelve months' notice after the 1st of January, 1855. This Act may be considered in some respects the counterpart of the Bank Charter Act of 1844, while in others it contains regulations of a totally opposite character. The principal features in the Act are as follows:—

1. Recites and repeals former restrictions relating to banking in Ireland, and continues to allow banking co-partnerships exceeding six in number to be carried on at every place within fifty miles distance from *Dublin*, from the

6th of December, 1845, provided that every member shall be liable for *all the debts* of the Corporation.

2. The rate of interest payable on the Bank debt of £2,630,769 4*s.* 8*d.* to be at the rate of about 3½ per cent. per annum, by reducing the annuity payable thereon from £115,384 12*s.* 4*d.* to an annuity of £92,076 18*s.* 5*d.*, payable on the 5th of January and the 5th of July in each year.

3. The Bank to pay the dividends on the Public Debt of Ireland, and the management of any loans raised for that part of the kingdom, without charge to the Government.

4. Charter extended to twelve months' notice after the 1st of January, 1855, and to be then dissolved on payment of the debt due to the Bank, with all arrears of interest.

5. Repeals 33 Geo. II., cap. 14, sec. 15, so far as prohibits public officers from being partners in banks.

6. Bank of England notes not allowed to be a *legal tender* in Ireland.

7. The oaths of the Governor, Deputy-Governor, and Directors, only to extend to the oath of allegiance, the oath of qualification, and the oath of fidelity to the Corporation, as prescribed by the Charter; Quakers only to make a declaration.

8. No banker, who was issuing his own notes on the 6th day of May, 1844, and to the 1st day of May, 1845, allowed to exceed the average amount of notes he had in circulation during the year preceding the 1st of May, 1845, such circulation to be certified by the Commissioners of Stamps; and after that date no uncertified banker allowed to issue bank notes in Ireland.

9. Two or more banks uniting prior to the 1st of May, 1845, permitted to issue the *average* of their united circulation.

10. Duplicate of certificate to be published in the *Dublin Gazette*, which is to be evidence in all Courts of the amount of bank notes authorized to be in circulation of any banker therein named, exclusive of the monthly average amount of gold and silver coin held by such banker.

11. On two or more banks uniting, *subsequently* to the passing of the Act, the Commissioners to certify the *aggregate* amount of notes circulated by such banks separately, which shall form the limit of circulation for such united bank, exclusive of gold and silver coin.

12. Banks permitted to relinquish their notes in favor of the Bank of Ireland by an agreement in writing, and the Bank is allowed to increase its issues to the same amount, exclusive of gold and silver coin.

13. No banker having relinquished the right to issue notes can resume his issues.

14. No banker to have in circulation, upon an average of *four weeks*, a greater amount than the sums certified by the Commissioners of Stamps and Taxes, and the monthly average amount of silver and gold coin held during the four weeks.

15. Issues of notes for fractional parts of a pound prohibited, under a penalty of £20 for every such note.

16. Every issuing bank to render weekly accounts to the Commissioners of Stamps and Taxes, distinguishing the notes of £5 and upwards, from those

below that value; and also to deliver an account of the total amount of gold and silver coin held at the head office of such bank: and on neglecting to render such accounts, to forfeit a penalty of £100 for every such offence.

17. All bank notes deemed to be in circulation from the time of issue until again returned to some officer of the bank.

18. The Commissioners of Stamps and Taxes to make monthly returns of every bank of issue, containing the average amount of notes in circulation, and also of the amount of gold and silver coin held by each banker, and publish the same in the *Dublin Gazette*.

19. The mode of ascertaining the monthly averages to be by taking the amount of notes in circulation during the first period of four weeks next after the 6th day of December, 1845, and the average of the gold and silver coin to be taken in the same manner.

20. Only the gold and silver coin held at the *head offices* of such banks of issue to be taken into consideration in extending the issues beyond the amount certified by the Commissioners of Stamps and Taxes: but such head offices or places of issue are not to exceed *four* in number, of which only *two* can be situated in the provinces. The amount of *silver* coin not to exceed *one-fourth* of the gold coin held by such bankers; nor can any bankers issue notes on *silver* to a greater extent than *one-fourth* part of the gold coin.

21. Empowers the Commissioners of Stamps and Taxes to inspect bankers' books, at all reasonable times, by the sanction of the Treasury; and by refusing to comply, every such banker to forfeit £100 for every such offence.

22. All banks are required to deliver to the Stamp Office a return of the name, residence, and occupation of every person composing the partnership, and of every place where the business is carried on, on the 1st of *January* or within fifteen days from that date in every year, or forfeit the sum of £50.

23. If any banker shall issue notes in excess of the authorized circulation, every such banker to forfeit an amount equal to the excess.

24. Notes for less than *twenty shillings* declared illegal: and any person issuing such notes to be liable to a penalty not exceeding £20 for every offence, after the 1st day of January, 1846.

25. All promissory notes, bills of exchange, drafts, &c., or undertakings in writing, being negotiable or transferable, for the payment of twenty shillings, or any sum less than *five pounds*, issued in Ireland after the 1st of January, 1846, to specify the names and places of abode of the persons respectively to whose order they are made payable, and to bear date before, or at the time of drawing, and shall be made payable in the space of *twenty-one days* after such date, and shall not be transferable or negotiable after that time; and every endorsement thereon to be made before the expiration of that date, and attested by one subscribing witness at the least, the name and place of abode to whom the same is payable to be attached to any endorsement according to a prescribed form.

26. Any person or persons issuing promissory notes, payable on demand, after the 1st of January, 1846, for sums less than *five pounds*, except bankers authorized under this Act, to forfeit £20 for every such note issued or re-issued.

27. Any body politic or corporate negotiating in Ireland any promissory

note (not being the note of a banker authorized under this Act), or any bill of exchange, draft, &c., for the payment of *twenty shillings* and under *five pounds*, except as directed by this Act, to forfeit £20.

28. The preceding section not to apply to bankers' cheques.

29. This section states the mode of enforcing penalties.

30. Empowers banking partnerships to sue and be sued in the name of one of their public officers.

31. Refers especially to the "Tipperary Joint Stock Bank;" which, by an agreement with the *Bank of Ireland*, refrained from issuing its own notes, to be determinable by either party upon certain conditions which were as follow:—That if this agreement were determined by the Governor and Company of the *Bank of Ireland*, the Tipperary Bank to be paid a composition of *one per cent.* per annum on the average annual amount of *Bank of Ireland* notes issued by the Tipperary Bank, and kept in circulation, such average amount to be ascertained as by the Bank of England under the 7 and 8 Vict., cap. 32; provided that the total sum payable to the Tipperary Bank by way of such compensation exceed in any one year the amount agreed on between the Bank of Ireland and the Tipperary Bank, such composition to cease from the 1st of January, 1856.

There has been no change in the banks of issue in Ireland since the passing of the above Act. The following tabular statement shews the circulation of each bank, at the close of the year 1856, to have been as follows:—

Average Amount of Notes in Circulation and Coin held by the Irish Banks, at the end of December, 1856.

Title of Bank.	Authorized Circulation.	Average Circulation during 4 Weeks.			Average Amount of Gold and Silver Coin held during 4 Weeks.
		£5 and upwards.	Under £5.	Total.	
Bank of Ireland	3,738,428	2,070,900	1,458,700	3,529,600	768,428
Provincial Bank of Ireland	927,667	444,881	701,944	1,146,825	441,403
Belfast Bank	281,611	83,256	416,884	500,140	328,559
Northern Bank	243,440	45,816	263,495	309,311	129,064
Ulster Bank	311,079	73,240	443,330	516,570	271,979
National Bank of Ireland	761,757	576,692	641,207	1,217,899	656,882
Carrick-on-Suir National Bank	24,084	14,428	14,060	28,488	7,704
Clonmel National Bank	66,428	29,505	28,963	58,468	18,008
	6,354,494	3,338,718	3,968,583	7,307,301	2,622,687

The above returns shew the increase of notes in circulation beyond the authorized issue to be £952,807; which is covered by gold and silver coin to the amount of £2,622,687. These returns, however, comprise the whole amount of gold in the possession of the banks; but the excess of the authorized circulation of issue must be covered by gold held at the *chief* office or other places of issue.

Besides the above banks of issue, there are two other Joint Stock Banks that do not issue notes; the Hibernian Joint Stock Bank, and the Royal Bank of Ireland. The Tipperary Joint Stock Bank, established in 1838, has ceased to exist, under circumstances too notorious in the banking world to be repeated here.* There are three private banking firms in Dublin—Messrs. Ball & Co., Messrs. Boyle, Son, Price, & Co., and Messrs. La Touche & Co.

The Provincial Bank of Ireland, established in 1825, though a bank of issue, has its chief office in London, as well as the National Bank.

The following statement shews the number of banks of issue in Ireland, the amount of paid-up capital, and the number of branches:—

	Amount of paid-up Capital.			Number of Branches. †
	£	s.	d.	
Bank of Ireland	2,630,769	4	8	23
Provincial Bank of Ireland	540,000	0	0‡	38
Belfast Bank	125,000	0	0	22
Northern Bank	150,000	0	0	11
Ulster Bank	200,000	0	0	18
National Bank of Ireland	450,000	0	0	47
Carrick-on-Suir National Bank ..				2
Clonmel National Bank				

* This Bank suspended payment on the 12th day of February, 1856, and its affairs are now in the Court of Chancery.

† These branches are given in detail in the *Bankers' Almanack* every year.

‡ £40,000 in New Shares.

CHAPTER V.

Banks and Banking in Scotland.

The system of banking in Scotland differs in so many points from that adopted in England, that it has been a subject of much discussion in commercial and financial circles. There are *three* Chartered Banks in Scotland, with *limited liability:* the partners in all the other banks are separately and jointly liable to the whole extent of their property. The Chartered Banks are—1. The Bank of Scotland. 2. The Royal Bank. 3. The British Linen Company.

The *Bank of Scotland* was established in 1695, under a plan devised by William Paterson, the projector of the Bank of England; and the original capital was the same in nominal amount, namely, £1,200,000, Scottish currency, equivalent to £100,000 sterling.* The Company was invested with the exclusive privilege of banking for *twenty-one* years. A great portion of the original capital was subscribed for by Dutch and German merchants, who thereby became naturalized. The Act of "Erection" is dated Edinburgh, July 17, 1695. The shares were divided into £1,000, Scottish currency, or £83 6*s.* 8*d.* sterling: this was the lowest sum that could be subscribed; and £20,000 the highest, two-thirds of which were to belong to persons residing in Scotland. This Bank, however, found so narrow a field for banking operations, that only £30,000 of capital were for some time needed to conduct its business. In 1704 it first issued notes for 20*s.*, but there was very little paper in circulation previous to the *Union;* and this plan was introduced to supply the scarcity of small change.

In 1731 the Bank introduced the system of *Cash Credits,*

* The Scottish pound of account was equivalent to 1*s.* 8*d.* English, or £100 Scots were equal to £8 6*s.* 8*d.* sterling.

which will be referred to hereafter. Several attempts were made in the early history of the Bank to establish branches, but unsuccessfully, in Aberdeen, Dundee, Glasgow, and other towns. In 1774 the Bank was empowered to increase its capital to £200,000 sterling; in 1784 to £300,000; in 1792 to £600,000; in 1794 to £1,000,000; and in 1804 to £1,500,000, of which £1,000,000 is at present paid up.

The management is vested in the hands of a governor, deputy-governor, and twenty-four directors, elected annually by the shareholders possessing £250 of capital stock or upwards: those having more than £250 are allowed one vote for every £250 up to £5,000 or twenty votes. The governor must hold stock, at the least, amounting to £2,000; the deputy-governor to £1,500, and every director £750. There are twelve extraordinary, and twelve ordinary, directors chosen: two of the ordinary directors go out of office annually. There was no other bank established in Scotland until 1727; but the privilege accorded to the *Bank of Scotland* was not renewed after the *twenty-one* years had expired by the terms of the original Charter.

In 1727 the *Royal Bank of Scotland* was established by Royal Charter, bearing date May 31st in that year. The original capital consisted of a portion of money due to Scotland at the time of the *Union* of the two countries in 1706; this was called the *Equivalent Fund*, and was the amount to be paid to Scotland on her consenting to pay the same Customs and Excise duties as were paid in England, and which amounted to £398,085 10*s.* Commissioners were appointed to dispose of this sum by paying out of it the public debts of Scotland, and the capital stock of the well-known Darien Company, formed under the direction of WILLIAM PATERSON. These Commissioners had, for several years, been created a corporate body by letters patent, which gave them power to manage their own stock. The sum of £111,347 19*s.* 10*d.* of this fund constituted the original capital of the Bank. In 1738, it was increased to £150,000 sterling; in 1783, to £300,000; in 1788, to £600,000; in 1793, to £1,000,000: it was afterwards increased to £1,500,000; and on the renewal of its Charter in 1830, to £2,000,000, which is all paid up. The *Cash Credit* system was first adopted by this bank in 1729.

The management is vested in a governor, deputy-governor, nine extraordinary, and nine ordinary, directors. The qualification for a governor is £2,000; for a deputy-governor £1,500; for an extraordinary director it is £1,000, and for an ordinary director of the Company £500 in capital stock. Each proprietor of £300 stock is entitled to *one* vote; of £600, *two* votes; of £1,200, *three* votes; and of £2,000, *four* votes, the highest number allowed to a single proprietor.

The British Linen Company Bank was incorporated by Royal Charter in 1746, and originated with a number of persons associated under the title of *The Board of Trustees for Manufactures;* and was for many years conducted by that body. As the directors, in process of time, issued their own notes in payment for transactions carried on by the Company, they found it much more advantageous to the manufacturers of Scotland to devote their entire resources to the maintenance of mercantile credit, and therefore became bankers.

The original capital of this Bank was £100,000; in 1807 it was increased to £200,000; and in 1813 to £500,000: it now amounts to £1,000,000 sterling.

The management is vested in a governor, a deputy-governor, and five directors. The qualification for a governor is £1,000 stock; for a deputy-governor £500; and for a director £300. A proprietor of £200 stock is entitled to one vote; of £500 to two votes; and of £1,000 to four votes, the greatest number a single proprietor can have.

The whole of the capitals of the above three Chartered Banks consist of Stock, and is transferable to any amount.

The special peculiarities of the Scotch banking system consist—1. Of Cash Credits. 2. Of Deposits. 3. Of Remittances. 4. Of Exchanges.

Cash Credit Accounts, as adopted by the Scotch banks in connexion with their general mode of transacting business, are considered to be the foundation of that industry for which the people of Scotland have long been proverbial: nor is this at all surprising when the system is clearly understood: for by this means *credit* precedes the production and increase of *capital*: whereas in England *credit* cannot be obtained from bankers until capital has been accumulated. The moral and social effect

of these two systems is extremely striking. For in Scotland the system enables men of integrity and good character to enter the field of industrial and commercial enterprise with no other means than these qualities can command; but in England such qualities are worthless to an enterprising and talented man with a banker, as he can only obtain credit by an absolute possession of money capital. There cannot be a doubt that this difference has formed the ground-work of Scotland's prosperity in agriculture, arts, and manufactures. The bankers in Scotland, according to the evidence given before Parliament, as a general rule, prefer granting *cash credits* to industrious and persevering merchants, tradesmen, and farmers; and to persons requiring a small, rather than a large amount.

A *cash credit* does not consist of an immediate advance of a sum of money to an individual who applies for it: but a *credit* for a certain sum is opened to him by the bank, which grants it on his giving a *bond*, with two or more securities, for the repayment, on demand. After the credit is granted the entire sum is at the disposal of the borrower; but it rarely happens that more than a small fractional part is required at one time, and his drafts are passed, from time to time, on the bank as occasion may require. There is, therefore, a constant fluctuation in the amount of the debt due to the bank, owing to the debts and credits of the borrower; and the profits of the bank are increased by the circulation of its notes. Nor is the person who overdraws a *cash credit* subject to any complaint, as his sureties are liable for any balance that may arise to the bank. Under this system the transactions of the borrower frequently amount to ten times the amount of the sum specified in the bond, in the course of a year: and as the repayments are allowed to be made in convenient sums, every facility is given to the borrower to reduce both the principal and interest upon such credits. The sums thus advanced range from £100 to £1,000, and sometimes higher; but the average is about £500. By the evidence given on Scotch banks before a Parliamentary Committee, in 1826, the number of these accounts were stated at about £12,000, and the total amount specified in the bonds at £6,000,000, of which not more than two-thirds were supposed to be drawn out. It may be seen from this that the *cash credit*

system of the Scotch banks is a very important feature in their success, and one of the principal causes of prosperity in all the branches of Scottish industry.

Deposits.—The Scotch banks receive deposits for very small sums, and allow interest thereon during the time they remain in the bank: and as they are always payable on demand, they are a kind of savings' bank to the industrious classes. Deposits are received in sums as low as £10 and upwards. For sums allowed to remain in the hands of the bank for some time, a *deposit receipt* is given, and is returned on the withdrawal of the money, or it may be renewed when the *interest* only is received: the rate of interest allowed on such accounts is generally from ½ to 1 per cent. below the market rate for private loans; but the difference under the late advance in the rates of discount has been much greater. Where large sums are thus deposited, a special agreement as to the rate is frequently made.

The deposits made under *deposit receipts* form a separate feature from the deposits on *current accounts* in the Scotch banks, the latter of which fluctuate with the daily transactions of the depositors. These accounts are balanced yearly, and interest is added to the balance. The banks make no charge for keeping these accounts; but look for remuneration from the operations connected with their note circulation.

Remittances.—It may appear at first view that this subject does not require special notice under the head of Scotch banking; but the Scotch banks having carried out this system to a great extent under their banking facilities, it is desirable to make some observations upon it. The operations carried on between Scotland and India under a great extension of their manufactures, have augmented in a like degree the business of remitting bills to the East. Formerly this business was conducted by merchants engaged in importing and exporting goods between one country and another; but by an extension of banks and banking facilities, the business has, to a great extent, been transferred into the hands of bankers, both in London and in Scotland. The Scotch banks are largely engaged in the remittance of their bills to all parts of the United Kingdom, as well as to the Continent, and to India and China, drawn at a certain date, which, after being remitted abroad, are again readily purchased for remittances to England, from the

high character which such bills obtain in the Colonies and in foreign countries.

Bank Exchanges.—The *bank exchanges* in Scotland are in effect what the "clearing" is in London—an economy of the note circulation, which prevents the banks from having to keep any material portion of it lying idle, or exceeding in amount what is absolutely required in conducting their operations. After the passing of the Act 8 and 9 Vict., cap. 38, in 1845, ten of the leading banks in Scotland agreed to the following regulations for settling the bank exchanges at Edinburgh:—

REGULATIONS FOR SETTLING THE BANK EXCHANGES AT EDINBURGH.

1. There shall be every Thursday morning an exchange of the notes collected on Monday, Tuesday, and Wednesday; and every Saturday an exchange of the notes collected on Thursday, Friday, and Saturday. The balances struck on Saturday shall, with the Glasgow and country exchange receipts, be settled on Monday. The balances struck on Thursday shall be settled on the same day; and this settlement shall include the country exchange receipts of Wednesday, and the Glasgow exchange receipts of Thursday. The exchange on Saturday shall not be interrupted by holidays; but on these occasions it shall commence at half-past nine o'clock a.m. When Monday is a holiday, the settlement shall be made on Tuesday.

2. When exchanges are established in provincial towns, the notes received at the exchanging agencies there must wait for the return of the next local exchange day; and must, under no pretext, be forwarded to meet the exchanges in Edinburgh, or at the other agencies.

3. All payments of balances shall be made in exchequer bills of £1000 each, the thousands of the balance to indicate the number of exchequer bills; it being understood, that the Bank of Scotland, Royal Bank, or British Linen Company notes of £100 each, or Bank of England notes of £100 and upwards, or gold, shall be employed to pay fractional parts of £1,000 only.

4. The amount of exchequer bills to be kept in the exchange circle is apportioned as follows:—

Bank of Scotland	£24,000
Royal Bank	24,000
British Linen Company	24,000
Commercial Bank	24,000
National Bank	24,000
Union Bank	24,000
Western Bank	24,000
Clydesdale Bank	12,000
Edinburgh and Glasgow Bank	12,000
City of Glasgow Bank	12,000
	£204,000

5. Exchequer bills put into the circle, to be filled up, payable to the banks which have originally contributed them, and to be blank indorsed when first paid away. They shall be registered, before they are put into the circle, in a book kept in the Bank of Scotland for the purpose, and shall bear the distinguishing mark of "Edinburgh Exchange Bill," affixed by the Bank of Scotland, showing that they belong to the Edinburgh Exchanges, and are not to be used for any other purpose whatever.

6. All the exchequer bills placed and retained in the exchange circle to bear an uniform rate of interest, and shall be paid and received in the exchanges at their nominal par value, with the interest accrued; and when they are withdrawn, in consequence of being called in, or from an alteration in the rate of interest, a voucher in the form annexed (Schedule A)* shall be issued for each exchequer bill by the banks, by whom they were provided to pass as such, till replaced by the new bills in course of post after they are issued from the exchequer.

7. As exchequer bills may be expected to accumulate occasionally with some of the banks, while the stock of others is exhausted or becomes low, the parties holding the greatest amount of bills shall be bound to sell to the parties in want of them, who shall, on the other hand, be obliged to buy; but the holders shall not be required to reduce their stock of exchequer bills, by selling below an excess of two-thirds over their original quota, unless necessary for the settlements; and parties whose stock of bills is short shall not be required to purchase more than will make up their stock to one-third of their original quota.

8. Purchasers of exchequer bills shall buy from parties holding the largest proportional amount, with reference to their original quota, and two-thirds more; and the party holding the largest proportion shall have a continued preference in selling to one or more purchasers, until the stock of the selling bank is reduced to two-thirds above their original quota, when the next largest proportional holder at the time shall have the preference, and so on.

9. Exchequer bills bought shall be paid for by drafts on London bankers at five days' date; and the purchasers of exchequer bills shall pay, in addition to the principal sums in the bills, the growing interest, at the rate allowed by the exchequer, up to the date of the drafts falling due in London, and shall furnish stamps for the drafts.

10. Transactions in the purchase and sale of exchequer bills may be made on either of the settling days in the week; but they shall be made only in the exchange-room, and solely for the settlement of the exchange; and no private transactions of this kind between bank and bank shall be permitted, so that the number of exchequer bills in the hands of any one party after the exchanges are so settled shall be the number returned on the next exchange day.

11. In the event of any exchange draft being dishonoured, without prompt and most satisfactory explanation of the cause, the bank issuing such draft shall be immediately excluded from the clearing-room, and their notes shall be refused in all future transactions with the public.

* It has not been deemed necessary to insert these Schedules.

12. The exchanges shall be made alternately—on Thursdays in the Bank of Scotland, and on Saturdays (with the relative settlement on Mondays) in the Royal Bank; and these banks will undertake to receive from the banks which are debtors, and to pay to the banks which are creditors in the exchanges, the exchequer bills, Bank of England and other notes, and gold, which are passed in payment of the balances; but the Bank of Scotland and the Royal Bank shall not, nor shall either of them, be in any way responsible for the exchange transactions, nor otherwise soever.

13. The clerks of the different banks shall appear in the clearing-room at ten o'clock a.m. on Thursdays and Saturdays, and, before the exchange operations commence, they shall write down, on the board allotted for the purpose, the amount of exchequer bills held by the banks they represent; and after the balances are struck and ascertained on the settling days, they shall mark on the same board the exchequer bills which will be in their hands after the balances are settled by the Bank of Scotland and Royal Bank; and this is to be considered the number on which all transactions in the purchase and sale of exchequer bills for that day shall be founded.

14. After the balances are struck on Thursdays and Mondays, statements of the same shall be conveyed to the respective banks by their own clerks, who shall afterwards attend in the clearing-room, to pay and receive the balances due, at half-past eleven o'clock on Mondays, and at half-past three o'clock on Thursdays, after the vouchers of the balances of the Glasgow exchange of that day are received. These are to be conveyed, by a special messenger, from the Glasgow banks of issue alternately, and to be delivered by him personally at the banks, to whom they are addressed in Edinburgh.

15. The British Linen Company having, from a desire to promote the general convenience, consented to forego the advantage they have hitherto enjoyed of making their whole exchanges with banks junior to themselves within their own office, no certified statements of their separate exchanges will henceforth be necessary.

16. The seventh and eighth regulations will tend, in a great degree, to equalize the amount of exchequer bills among the different banks; but as it may possibly happen, notwithstanding, from some peculiar state of the exchanges, that exchequer bills may accumulate in the hands of one bank to a considerable amount beyond its quota and two-thirds more, without the power of sale to any other bank, according to the above regulations, then that bank, when the amount on hand exceeds fifty-seven, may require the bank holding the fewest number, although not under one-third of their quota, to purchase up to their quota, and so on to the next lowest, until the stock of the selling bank shall be reduced to the original quota and two-thirds more.

17. The annexed Schedule will be the guide to distinguish the extreme points, in terms of the seventh and eighth regulations, at which sales and purchases of exchequer bills are to proceed.

18. All the exchanging banks shall have free access, at such times as may be convenient, to the record of the exchange transactions.

19. The subscribers, having framed these regulations with the view to keep the circulation of Scotland in a sound state, as well as to give facility in the

settlement of their balance of notes issued in the fair way of business, and being of opinion that it is discreditable in a bank of issue to force its notes into circulation, by exchanging them for other notes in the circle, they resolve to check and discourage any such irregular issues by every means in their power.

20. It is further understood and agreed, in consideration of the circulation of each bank (other than what may be issued against gold and silver coin) being fixed and limited, by the Act 8 & 9 Vict. c. 38, that the banks shall bring to the exchange-room regularly, at their head office and agencies, all the exchangeable notes which they receive, and that under no circumstances shall any bank issue the notes of another bank of issue in Scotland without permission first asked and obtained.

21. The parties to this agreement shall be entitled to withdraw from it, and to receive back their exchequer bills at their par value, with accruing interest, on giving three months' notice.

Edinburgh, February 16, 1846.

General Operations.—The general operations of the Scotch banks consist—1. In making advances upon cash credits. 2. Receiving deposits. 3. Discounting bills of exchange. 4. Issuing letters of credit. 5. In transacting all kinds of agency business, and investments in public securities. There is one distinction between the practice of banking in Scotland and England which deserves notice. The system of cheques, in connexion with current accounts, is not adopted in Scotland as in England; but the transactions of each customer are performed by paying in, or drawing out, as many *notes* as he may require: this practice not only keeps in constant circulation the notes of the banks, but it also ensures a state of accounts free from all fractional parts, and saves a great amount of labour in calculations.

There are many advantages in Scotland which are greatly calculated to strengthen the system of banking in that country: one of the principal is the *registration of land titles*, which gives immediate facilities for obtaining information respecting real and heritable property, as no purchase is considered secure until *seisin*, or the actual right of possession has been put on record; and every mortgage must be registered in the same manner. Land, as well as all other descriptions of property, is liable to attachment in Scotland.

The Banking Law of Scotland.

By the 8 and 9 Vict., cap. 38, passed in 1845, the Scotch banks of issue were assimilated to the banks of issue in Ireland, by fixing a limit to their authorized circulation, based on an average amount of notes in circulation during the *year* preceding the 1st day of May, 1845, and such amount is not to be exceeded, except the excess of such issue be covered by gold and silver coin at the *head office*, in the proportion of *one-fourth* of silver to *three-fourths* of gold. The following are the principal provisions of the Act:—

1. The amount of notes in circulation during the *year* preceding the 1st of May, 1845, to be taken as the authorized limit to be issued from the 6th day of December, 1845, by all bankers lawfully issuing their own notes from the 6th day of May, 1844, to the 1st day of May, 1845; and from the 6th day of December in the latter year no banker to exceed that amount, except holding gold and silver coin equal to such excess.

2. If two banks united within the year preceding the 1st day of May, 1845, the *average* amount of their circulation to constitute the authorized issue.

3. The authorized issue certified by the Commissioners of Stamps and Taxes to be published in the *London Gazette*, and to be evidence in all Courts of Law, exclusive of gold and silver.

4. Banks united *subsequently* to the passing of the Act, the Commissioners to certify the *aggregate* amount of notes in circulation by the two banks, which aggregate shall form the limit of such united bank, exclusive of gold and silver coin.

5. The issue of all notes for the fractional parts of a pound sterling prohibited, under a penalty of £20 for every offence.

6. No banker allowed to have in circulation a greater amount of notes on an average of *four weeks* than the authorized circulation, and the average of gold and silver coin to be ascertained in the same manner.

7. Every issuing bank to render accounts to the Stamp Office *weekly*, on and after the 13th day of December, 1845, of the amount of its notes in circulation, distinguishing those of £5 and upwards from those below, and also the total amount of gold and silver coin held at the principal place of issue, on each day of the week ending on Saturday, for four consecutive weeks, which shall constitute the average amount of notes in circulation, and the gold and silver coin held by such bank. The penalty for neglecting, refusing, or rendering a false account, £100 for every offence.

8. All notes to be deemed in circulation from the time of being issued by any banker, servant, or agent of such bank, until returned to such banker, servant, or agent.

9. The Commissioners of Stamps and Taxes to publish a monthly return of the amount of notes in circulation, and the gold and silver coin held by every issuing bank, in the *London Gazette*.

10. The average of the monthly circulation to be made from the first complete period of four weeks from the 6th day of December, 1845, and also of the gold and silver coin.

11. The proportion of *silver* to gold coin held not to exceed *one-fourth*, and no banker to issue notes on *silver* beyond that proportion.

12. The books of bankers to be open for inspection of any two officers authorized by the Commissioners of Stamps and Taxes at all seasonable times, by consent of the Commissioner of the Treasury, under a penalty of £100 for every offence by refusing such permission.

13. All banks to return the name, occupation, and residence of every partner on the 1st day of January in every year, or within fifteen days after, to the Stamp Office, under a penalty of £50, a copy of which shall be printed in some newspaper circulating in the town or county where the chief office is situated. The *Bank of Scotland*, the *Royal Bank of Scotland*, and the *British Linen Company* are excluded from the above provisions.

14. Any banker issuing notes in excess of the amount authorized under the provisions of the Act, to forfeit for every offence a sum equal to the excess.

15. *Bank of England* notes not allowed to be a *legal tender* in Scotland.

16. Promissory or other notes, or drafts, or undertakings in writing, being negotiable or transferable, for any sums of money or for goods, specifying their value to be less than 20*s.* in the whole, to be void after the 1st day of January, 1846; and any person negotiating such documents after that date to forfeit a sum not exceeding £20, nor less than £5, at the discretion of the Justice of the Peace who shall determine such offence.

17. All promissory notes, bills of exchange, drafts, &c., in writing, transferable for the payment of twenty shillings, or any sum less than *five pounds*, issued in Scotland after the 1st day of January, 1846, to specify the names and places of abode of the persons respectively to whose order they are made payable, and to bear date before, or at the time of drawing, and shall be made payable in the space of *twenty-one days* after such date, and shall not be transferable or negotiable after that time; and every endorsement thereon to be made before the expiration of that date, and attested by one subscribing witness at the least, the name and place of abode to whom the same is payable, to be attached to any endorsement according to a prescribed form.

18. Any other persons than bankers under this Act issuing notes, *payable on demand to bearer thereof*, for less than £5, to forfeit the sum of £20 for every offence.

19. Any persons other than bankers authorized under this Act issuing bills of exchange, drafts, or undertakings in writing for the payment of 20*s.* or above that sum, and *less than* £5, contrary to this Act, to forfeit £20.

20. The Act not to extend to cheques drawn on bankers.

21. Prescribes the mode of recovering penalties.

The following statement shows the amount of bank notes authorized to be in circulation, the actual amount in circulation, and the gold and silver coin held by each of the issuing banks in Scotland, under the above act, at the close of December, 1856:

Average Amount of Notes in circulation, and Coin held by the Issuing Banks in Scotland, at the end of December, 1856.

Title of Bank.	Authorized Circulation.	Average Circulation during Four Weeks.			Average Amount of Gold and Silver Coin held during Four Weeks.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	135,151	265,616	400,767	189,892
Royal Bank of Scotland	183,000	90,656	154,922	245,578	109,067
British Linen Company.....	438,024	164,162	310,472	474,635	147,686
Commercial Bank of Scotland..	374,880	161,041	319,868	480,909	177,396
National Bank of Scotland	297,024	115,551	220,160	335,711	99,567
Union Bank of Scotland	415,690	171,499	351,392	522,891	184,094
Edinburgh and Glasgow Bank..	136,657	61,349	93,150	154,499	58,647
Aberdeen Town and County Banking Company	70,133	39,577	73,909	113,486	56,967
North of Scotland Banking Company	154,319	91,468	106,380	197,848	81,563
Dundee Banking Company	33,451	13,058	26,423	39,482	18,113
Eastern Bank of Scotland.....	33,636	15,535	26,333	41,868	19,024
Western Bank of Scotland	337,938	140,176	339,159	479,335	205,312
Clydesdale Banking Company..	104,028	48,877	104,478	153,356	85,463
City of Glasgow Bank	72,921	126,947	177,513	304,461	296,400
Caledonian Banking Company..	53,434	22,581	45,409	67,990	27,370
Perth Banking Company	38,656	17,228	34,999	52,228	30,019
Central Bank of Scotland.....	42,933	20,786	39,347	60,134	28,173
Totals.....	3,087,209	1,435,642	2,689,530	4,126,178	1,814,753

These returns shew that the actual circulation of the seventeen issuing banks exceed the authorized issue by £1,037,969, which is covered by specie to the amount of £1,814,753, or nearly equal to twice the excess of the authorized amount of notes in circulation. This is one of the most forcible illustrations that can be adduced of the injurious consequences of attempting, by legislation, to fix a limit to the circulating medium. It may also be fairly assumed that the same results would have been shewn in *England*, had not the principle of limitation been introduced into the Bank Act of 1844; but while *all* the issuing banks of Scotland and Ireland have maintained their privileges of issue, nearly *fifty* Private Banks of issue in England have ceased to issue their own notes, and *nine* Joint Stock Banks. It hence appears that whatever regulations may be adopted for the *security* of bank issues, that of limiting them to a *fixed amount* is an unwise and an unnatural interference with the first principles of the currency of a country.

The following TABULAR STATEMENT gives a condensed view of the condition of each of the Issuing Banks of Scotland, down to 1856, in the order of their first being established.

Established.	TITLE OF BANK.	Paid-up Capital.	Average Circulation	Average Coin held.	No. of Partners.	No. of Branches.	Rate of Dividend per cent.	Paid per Share.	Price of Shares.			Dividends Payable.
		£	£	£				£	£	s.	d.	
1695	Bank of Scotland	1,000,000	397,388	177,295	....	35	8	100	198	0	0	April and October.
1727	Royal Bank of Scotland	2,000,000	225,092	88,832	958	35	6	100	141	0	0	January and July.
1746	British Linen Company.....	1,000,000	480,572	186,570	630	48	9¾	100	230	0	0	June and December.
1763	Dundee Banking Company	60,000	41,240	14,587	79	1	10	60	100	0	0	March.
1766	Perth Banking Company	100,050	50,369	26,104	200	10	10	100	200	0	0	July.
1810	Commercial Bank of Scotland..	600,000	482,134	183,439	657	61	10	100	242	0	0	January and July.
1825	National Bank of Scotland	1,000,000	336,407	87,628	1,453	49	7	100	189	0	0	January and July.
1825	Aberdeen Town and County Banking Company	134,575	118,969	58,291	495	20	6	5	7	2	6	March and September.
1829	Union Bank of Scotland	1,000,000	530,569	175,262	897	73	9	50	103	0	0	June and December.
1832	Western Bank of Scotland	1,500,000	482,501	265,938	1,280	98	9	50	82	15	0	July and December.
1834	Central Bank of Scotland.....	78,125	58,367	26,288	440	8	8	31¼	52	0	0	September.
1836	North of Scotland Banking Company	200,000	214,306	89,422	1,437	30	10	2½	5	5	0	May and November.
1838	Edinburgh and Glasgow Bank..	1,000,000	163,697	54,138	1,575	23	4	5	5	1	0	February and August.
1838	Clydesdale Banking Company..	807,380	158,207	78,082	1,381	13	7	10	13	12	6	February and August.
1838	Caledonian Banking Company..	125,000	69,450	32,126	803	10	8	2½	4	0	0	August.
1838	Eastern Bank of Scotland.....	121,140	41,973	16,295	400	4	6	10	12	10	0	May and November.
1839	City of Glasgow Bank	1,000,000	255,282	208,715	1,306	97	6½	10	13	0	0	February and August.
	Total.....	11,726,270	4,106,523	1,769,012	13,991	615	8 Average.					

Summary of Bank Notes in Circulation in the United Kingdom.

From the foregoing analysis of the Bank returns of the United Kingdom, the authorized and the actual amount of notes in circulation may be taken as follows:—

	Authorized Circulation.	Actual Circulation.
Bank of England	£14,475,000	£18,770,000
157 Private Banks*	4,497,809	3,450,014
63 Joint Stock Banks	3,303,357	2,967,460
8 Banks in Ireland	6,354,494	7,307,301
17 Banks in Scotland	3,087,209	4,126,178
Totals	£31,717,869	£36,620,953

The guaranteed security in *specie* upon the above amount of circulation is at present about £11,000,000 for the Bank of England; for the Banks in Ireland, £2,622,687; and for the Banks in Scotland, £1,814,753; making a total of £15,437,440, in addition to the large amounts which must be held by other banks throughout England.

* Two more private banks in England have recently failed, whose united authorized issue was about £47,200.

CHAPTER VI.

The Stock Exchange.

The Stock Exchange is one of those institutions which owe their existence to an accumulation of events arising from a variety of circumstances, and do not date their origin from any single fact. From a very early period *merchants* were in the habit of negotiating the monetary transactions of the Sovereign, both here and in foreign countries. These transactions constantly occurred in Sir Thomas Gresham's time, as the following extract from his "Life," by Burgon, will shew:—*

"Also yt maye please you to be advertised that my Lorde Treasurer haithe apoynted me to paie the xxvth of August in Andwarpe [Antwerp], the some of xliiij M vij c iiij^{xx} iiij *li* vis [£44,784 6*s.*]: whereof the Marchants Adventrors payeth xxx M *li* [£30,000] sterling. The Marchaunts Staplers vij M cc lxvi *li.* xvj *s.* [£7,266 16*s.*] more out of the Queenes reseipt ij M v c xlij *li* xvis [£2,542 16*s*]. Some Sterlinge xxxix M viii c viii *li* xvii*s* iiij*d* [£39,808 17*s.* 4*d.*] wyche maketh Flemyshe [Flemish] aftir the rate of xxij*s* vi*d* [22*s.* 6*d.*] for the pownde sterlinge.

"As likewise whereas the Queennes Majestie had appoynctid me, by my Instructions, fiftie thowsande powndes to be prolongid till February next, my Lorde Treasurer will have that sett ovir till August 1562, with the rest of the debt dew this August and November, whiche amounts to one hondreth thousande powndes. And for the rest of the Queennes debts to be prolonged, to paie in June An$^{o.}$ 1562 xiiij M iiij^{xx} xiiij *li* xix*s.* iiij*d* [£14,094 19*s.* 4*d.*] &c."

Sir Thomas Gresham performed similar services in the previous reign, and was well known as the "King's Merchant" or "Factor" who was officially styled "*dilectus mercator et valectus noster*," to whom was deputed the principal matters of finance in those days. William de la Pole, a merchant, and father of Michael, Earl of Suffolk, held this appointment in Edward the Third's reign; and in 1338 lent that King £18,500, a sum

* Vol. i., Appendix, p. 489.

equivalent to about £400,000 of our money.* At his death his son Michael succeeded him in the same capacity, and resided in his father's house in Lombard-street; but was afterwards killed at the siege of Harfleur in 1415, and was succeeded by his son, another Michael, who fell at the battle of Agincourt. The office, however, was retained in the De la Pole family until the time of Henry VIII. William de la Pole was rewarded for his services by several grants of land from the Crown, and was also created Chief Baron of the Exchequer and a Knight Banneret; an office very different from that occupied by the same personage in the present day.†

Time, the great innovator upon ancient practices, also made his inroad upon this. The Funding system introduced into this country upon the accession of William III. to the Throne, very soon produced a system of speculation and gambling which has probably never been equalled since. The establishment of the three great Corporations, the East India Company, the Bank of England, and the South Sea Company, also gave birth to a large amount of floating securities, which attracted speculators of every class, and from all parts of Europe; these, together with the National Debt, formed the principal objects of speculation in the early part of the 18th century: and the parties engaged in them were found to increase so much in the year 1700, as to become an annoyance at the Bank where they were at first allowed to transact business: they therefore removed thence to what is now known as "'Change-Alley," a name derived from its being the spot where speculators and money dealers of all classes associated: they were, however, at this time subject to no other laws or regulations but such as *meum* suggested. The South Sea Bubble, in 1720, brought down upon them the fiercest indignation of the public, and stock-jobbing was denounced as a public nuisance, and as destructive of the morals of the people. To mitigate this evil, Sir John Barnard, in 1732, brought in his well-known Bill to render "time bargains," or what is now called selling or purchasing "for the account," illegal, which remains unrepealed to this day; but it has rarely been put in force by members of the Stock Exchange and others whose operations are of a *bonâ fide*

* Rymer's Fœdera, vol. v., p. 91.
† Burgon's Life of Sir Thomas Gresham, vol. i., p. 56.

character. All Legislation on the subject, however, proved unavailing; for speculators increased as the national incumbrances augmented; for war debts and money speculations were synonymous terms. The first attempt to form a select body was made by the jobbers in 1773, by taking a room in Sweeting's Alley, near the Bank, to be called "the Stock Exchange," where any man engaged in such transactions might perform his business by the payment of *sixpence* for admission.

The French war, at the close of the 18th century, by the demand for fresh loans, gave a new impetus to speculation in public securities; and the varied forms under which money was sought to be raised required a scientific knowledge of its principles to become successful. It was at this period that a Committee was formed amongst the most influential portion of persons engaged in these pursuits: subscriptions were made to erect a building for their special uses; and on the 1st of May 1801, the first stone was laid for the erection of a building on a place known as Capel-Court, a name derived from William Capel, Lord Mayor of London in the year 1504: and so convinced were the projectors that their success and operations were the offspring of the Public Debt, that the following inscription was engraven upon it:—

"At this era, the first year of the Union between Great Britain and Ireland, the Public Funded Debt had accumulated in five successive reigns to £552,730,924. The inviolate faith of the British Constitution, *sanction and secure* the property embarked in this undertaking. May the blessing of that Constitution be sacred to the latest moment."

On the completion of the new building members could only be admitted by ballot, and on payment of an annual subscription.

In 1854 an enlarged building was substituted, fitted up in a costly and convenient style, on the same spot where the first one was erected, to which have been attached various other offices and reading rooms necessary for the convenience of the members. This building was opened for public business in March, 1854; and is governed by a Committee of *thirty* members, chosen annually by ballot.

The following is an abstract of the regulations to which every member must submit, and by which all the transactions of the "House" are governed:—dated May 5th, 1857.

An Abridgement of the Rules and Regulations of the London Stock Exchange.

Committees.

1. The Committee of the Stock Exchange is elected annually at a general meeting of the proprietors and subscribers held on the 25th of March in each year, except when that date falls on a Sunday, on which occasion it is held on the Monday following. The Committee consists of *thirty* members, chosen by ballot.

2. The Committee for general purposes, of whom seven form a quorum, have the sole management and regulation of all matters except the treasurership, and the direction and management of the building.

3. All the decisions of the Committee are final when confirmed.

4. Every member is eligible as a candidate at any election of members to serve on Committee, and is entitled to vote, though his subscription may not have been paid.

5. When a vacancy occurs in the Committee, notice to be given to the Stock Exchange in a prescribed form, for the purpose of balloting for a new member. The balloting box to continue open *one hour*. Proprietors or subscribers may vote for members to serve on the Committee.

6. No list to contain more or less names than the number to be balloted for: the scrutineers to report the result of the ballot to the Committee.

7. At the first ordinary meeting after the annual election of the Committee, the members elect from amongst themselves a chairman and deputy-chairman, who shall hold office until the 25th of March ensuing: and in case of either or both becoming vacant, they are to be filled up as soon afterwards as possible. When neither are present at a meeting the meeting shall appoint a chairman, who shall have the casting vote in all cases when, on a division, the votes are equal.

8. The Secretary and three Scrutineers are appointed annually at the first meeting of the Committee: the Secretary to hold office during their pleasure.

9. The *ordinary* meetings of Committee to be held every alternate Monday at one o'clock, commencing the first Monday after the annual election. A *special* meeting of Committee may be called at any time by the Chairman or Deputy-Chairman, or, in their absence or refusal, by any five members of the Committee, by giving *one hour's* notice to the Stock Exchange.

10. If *seven* members of the Committee are not present within a quarter of an hour after the time appointed, the Chairman or Deputy-Chairman may adjourn the meeting.

11. The Stock Exchange is closed on every Good Friday, and Christmas-day, in each year, and on any day appointed by Royal Proclamation as a day of fasting or thanksgiving, but on no other day except by order of the Committee.

12. The Committee shall meet at one o'clock on the day preceding any bank holiday, for the purpose of determining whether the Stock Exchange shall be shut on such holiday or not.

13. The business of the Committee to be divided into two classes: Routine and Special. The *first* to comprehend the reading of minutes, admission of members and clerks, fixing settling-days, &c. The *second*, to investigate

claims and other matters relating to the interests of individuals, or of members generally. And all printed notices of the meetings, posted in the "House," to specify whether the business is "Routine" or "Special."

14. No alteration can be made in any existing law, without previous notice being given, and a copy of such alteration sent to each member.

15. No Resolution of the Committee is valid until read and confirmed at the next meeting, except those which relate to the shutting of the house, the admission of members, the re-admission of defaulters, and the fixing of settling-days.

16. All communications to the Committee must be made in writing; and no *anonymous* letter will receive attention.

17. The Committee will not entertain any question submitted to them by any one who is not a member of the Stock Exchange, against one who is a member, unless the complainant shall have acted as broker to the complainant.

18. Members and their clerks must attend the Committee for general purposes, when required, and give such information as may be in their power, upon any questions under investigation.

19. The Committee have the right to expel any of their own members, guilty of improper conduct. But no member can be expelled from the Committee, except there be a Committee summoned for the express purpose, composed of not less than twelve members, *two-thirds* of whom must assent to the verdict.

20. The Committee have the right to expel or suspend any member guilty of dishonourable or disgraceful conduct, or who may violate any of its regulations, or fail to comply with its decisions. But not without summoning a Committee for the express purpose, composed of not less than twelve members, *three-fourths* of whom must assent to the verdict.

21. The Committee have power to dispense with the strict enforcement of any of the regulations, at their discretion: but only by a Committee specially convened for that purpose, to be composed of not less than twelve members, *three-fourths* of whom must agree to the resolution, which must be confirmed at a subsequent meeting, specially summoned, before it can become effective, when twelve members must be present, and *three-fourths* concur in the resolution.

Admissions and Re-Elections.

22. The Committee may re-elect such persons as are eligible to become members for one year, from the 25th March then instant, or preceding the admission at the amount fixed by the Trustees and Managers.

23. Every new applicant for admission must be recommended by *three* persons, who have been members of the Stock Exchange not less than two years immediately preceding, and have fulfilled all their engagements; and each must enter into a security for £300, to be paid to the creditors of the applicant, in case he should be a defaulter within two years from the date of his admission; the liability to continue for three years. Exceptions to the above rule are not to admit a foreigner, unless he has constantly resided in this country during the five years immediately preceding his application. And if the

applicant has been a clerk in the Stock Exchange for four years previously to his application, *two* recommenders are necessary, who must give security for £250 each.

24. A notice of each application, with the names of the recommenders, stating whether they are, or expect to be, indemnified for the engagements they enter into, to be affixed in the Stock Exchange eight days before the applicant can be balloted for.

25. Members who recommend applicants are expected to have such a knowledge of their past and present circumstances, as to enable them to give a satisfactory account of the same to the Committee.

26. Any recommender who avows at the time of the admission of the applicant that he was not indemnified, and subsequently receives an indemnity, shall, in the event of the new member failing, be compelled to pay to the creditors such sum in addition to the original sum for which he had become security.

27. The recommendation of a firm, or of one member of a firm, is allowed; but two members, one of whom is authorised clerk to the other, cannot recommend the same applicant, nor can a member recommend a person who is to become his authorised clerk.

28. If a member enter into partnership with, or become authorised clerk to either of his sureties, a new surety must be found for the unexpired term.

29. No applicant is admissible who is a bill, or discount, broker, or engaged in any business not connected with the Stock Exchange, or if his wife be engaged in business, or if he be a member of, or subscriber to, any institution in which dealings are carried on in Stocks and Shares.

30. No applicant is eligible for admission who is a clerk in any public or private establishment, unconnected with the Stock Exchange.

31. Objections made by any member against the admission of an applicant must be made to the Committee by letter, previously to the ballot.

32. If any applicant for admission or re-election be rejected, such rejection to be conclusive for the year, ending the 25th March next ensuing.

33. No applicant is eligible for admission who has passed through the Bankruptcy or Insolvent Debtors' Court, or who has compounded with his creditors, unless he has paid *6s. 8d.* in the pound; nor then, until two years after he has obtained his Certificate, or fulfilled his Deed of Composition. And no applicant can be admitted who has been bankrupt or insolvent, or compounded with his creditors more than once, unless he has paid his debts in full.*

34. The re-election to commence every year, on the 1st Monday in March.

35. Every member desirous of being re-elected must address a letter, according to a prescribed form, sanctioned by the Committee, on or before the 4th of March, in each year, according to a prescribed form.

36. Each individual of a partnership is required to sign a separate application.

37. Any former member, not having been a defaulter, bankrupt, or insolvent, who shall have discontinued his subscription for one year, must be recommended for re-election by two members, but without security; and if his

* This rule does not apply to the re-admission of members of the Stock Exchange.

subscription be discontinued for two years he will be considered as a new applicant and must apply in the regular form.

38. A notice of every defaulter, bankrupt, or insolvent, applying for re-admission, to be affixed, without recommenders, in a conspicuous part of the Stock Exchange, twenty-one days previously to his application being considered by the Committee.

39. On the day on which the re-admission of a defaulter is to be considered, no other business is to be brought before the Committee.

40. The chairman of the Committee, in addition to any other questions that may appear necessary, shall put the following to the recommenders :—

Has the applicant ever been bankrupt? or compounded with his creditors? and if so, within what time? and what amount of dividend has been paid?

Would you take his cheque for £3,000 in the ordinary way of business?

Would you deal with him in £5,000 or £10,000 Consols for time?

41. The chairman may put any other question he may deem necessary to the applicant, amongst which are the following, the answers to be entered upon the Minute Book :—

Is this your signature?

Have you read the resolution at the back of the letter?

Are you a British-born subject?

Are you of age?

Are you married? and is your wife engaged in business?

Partnerships.

42. In every year, a list of partnerships must be made out and affixed in the Stock Exchange as soon as possible after the general election, and all alterations to be communicated to the Committee.

43. All notices relating to partnerships to be signed by the parties, and countersigned by the secretary, and posted up in the Stock Exchange.

44. No member of the Stock Exchange is allowed to enter into partnership with any person who is not a member. Nor can any member form a partnership until the liability of his recommenders shall have ceased, without the written consent of his sureties; such consent to be communicated to the Committee.

45. Members dealing generally together in any particular Stock or Shares, and participating in the result, are held responsible to the Stock Exchange for the liabilities of each other, and in any other description of Securities, unless a written notice be forwarded to the secretary, specifying the particular Stock or Shares in which they deal on joint account. This rule also applies to members allowing others to deal with their Stock, Shares, or Capital, and participating in the result. A form of the notice is prescribed.

46. Any member doing a private bargain for money or time with any individual member of a partnership existing on the Stock Exchange, keeping the account of such bargain separately from that carried on by the firm, both parties to be expelled.

47. The Committee will not sanction any partnerships between a broker in the Stock Exchange, and a dealer in Stocks or Shares; nor allow authorized clerks of brokers to act as dealers in the Stock Exchange.

Clerks.

48. No clerk can be admitted without the consent of the Committee, nor under fifteen years of age.

No person not eligible for admission as a member can be admitted as a clerk, with the exception of persons under age, who are not admissible on that account. No clerk is allowed to transact business in the Stock Exchange, until he shall have been employed two years by a member.

49. Any member desirous of obtaining the admission of a clerk must apply to the Committee in writing, stating whether he is authorized to do business for money or time, and he and the clerk are required to attend the Committee (without being specially summoned), at half-past 1 o'clock on the days appointed for *Routine* business. If the clerk has been previously engaged in business, the name and address of the person, together with the name of the member applying for his admission, must be affixed in the Stock Exchange, eight days prior to the application being considered by the Committee. No clerk can enter the Stock Exchange until his employer has been informed by the Secretary that his admission has been allowed by the Committee.

50. Any member of less than two years' standing applying for the admission of an authorized clerk, must first obtain consent from his sureties in writing.

51. Every member to give immediate notice of the dismissal of an authorized clerk in writing to the Secretary, who shall communicate the same to the Stock Exchange.

52. A list of authorized clerks (distinguishing those who are also members), and the names of their employers, to be affixed in the Stock Exchange.

53. If any clerk, authorized or not by the Committee, shall do any bargain in the Stock Exchange, in his own name, either for money or time, and any member doing business with such clerk, they shall respectively be liable to expulsion.

54. Any member desiring to employ another member as his clerk must apply to the Committee, and he shall be liable for all engagements made by such clerk for money, whether made in his own or his employer's name. If he authorize him to transact business for time, he shall be liable in like manner for the clerk's engagements. But if he do not authorize such clerk he shall not be liable for his engagements.

55. Clerks of deceased members cannot transact business in the Stock Exchange for the remaining period of their employer's subscription, but the Committee may allow them to attend to adjust unsettled accounts.

56. Clerks of defaulters are excluded with their employers.

General Rules applicable to Stock Exchange Transactions.

57. Hours of business from 11 until 3 o'clock, except Saturday, when business closes at 1 o'clock; and the Committee recognize only such bargains as are done within those hours.

58. All disputes between members are referred to arbitration; and the

Committee will not interfere in any disputes, unless arbitrators cannot be found, or are unable to come to a satisfactory decision.

59. No member is allowed to enforce by law any claim, arising out of Stock Exchange transactions, against a member or defaulter, except with the consent of such member, of the trustees of the defaulter, or of the Committee.

60. No member is obliged to take a reference for payment to a person not a member; nor obliged to pay a non-member for any securities bought in the Stock Exchange.

61. Any member intending to demand Bank notes in payment for Securities, sold without a previous stipulation, must give notice to that effect before half-past 11 o'clock on the day of delivery.

62. When Stock or other Securities are sold for Bank notes, payment must be made on delivery of the Securities or the Bank receipt.

63. No member to present, or cause to be presented, a cheque received from another member, except through the Clearing-house, without the sanction of the drawer.

64. No application for annulling any bargain on the Stock Exchange attended to by the Committee, except on the ground of fraud.

65. The Committee will not recognize any dealings in letters of allotment, either of loans or shares in new companies.

66. Any member applying for Stock, or Shares of Loans of Public Companies, and neglecting to pay the deposit, is considered to have violated a contract, and shall be compelled to fulfil his engagement.

67. No clerk allowed to apply for Stock, or Shares of Loans of Public Companies, without the written sanction of his employer, who must be responsible for the payment of the deposit.

68. The Committee do not decide any questions respecting the loss incurred in buying or selling out Stock or other Securities, unless referred to them within fourteen days from the date of purchase or sale.

69. Buying in or selling out Stock, Shares, or other Public Securities, must be effected publicly through the medium of a Broker, who shall trace the transaction to the responsible party, and claim the difference thereon, except in the buying in or selling out English Stock; in which case the bought in, or sold out, ticket shall be passed directly to the person against whom such sale shall have been made.

70. The Committee do not sanction nor take any cognizance whatever of bargains made in new Bonds, Stock, or any other Securities issued by any Foreign Government that has not duly paid the dividends on foreign loans raised in this country, unless such Government shall have effected some satisfactory arrangement with the holders of such Stock, Bonds, or other Securities, on which the dividends have been in arrear.

71. The Committee will not take cognizance of bargains in prospective dividends of shares or stock of railway or other industrial companies; nor will they allow differences arising therefrom to be proved upon a defaulter's estate.

72. The Committee will not, after the restoration of peace, recognise any transactions in, nor allow the quotation of, any Loan raised by a Power at war with Great Britain.

Rules applicable to Securities deliverable by Transfer.

English, India, or Bank Stock.

73. All bargains made in English Stocks, when no time is specified, are considered as made for the existing account.

74. The Committee will not recognize any bargain done in English Stock for a future account, if not effected more than eight days previously to the day fixed for the adjustment of the existing account.

75. An offer to buy or sell a sum of English Stock at a price named is binding as to any part thereof; and an offer to buy or sell, when no amount is named, is binding to the amount of £1,000 Stock.

76. If the seller of English Stock shall not receive a transfer ticket from the purchaser by ten minutes before 1 o'clock, he can demand *2s. 6d.* for each transfer fee; and on an account day, if the transfer ticket is not delivered by a quarter before 1 o'clock, the seller may claim of the purchaser *2s. 6d.* for every £1,000 Stock; and if he shall not receive a transfer ticket before half-past 1 o'clock on the day it was contracted (or a quarter before 1 on Saturdays) to be delivered, he may re-sell the same through the medium of a broker, and claim of the original purchaser any loss or charge incurred thereby.

77. English Stock, or other securities, bought for a particular day, and not then transferred or delivered, may be bought in on the following day at 11 o'clock; the original seller to pay any loss or charge incurred; and also one-eighth per cent. for the non-delivery of the Stock according to contract. This fine shall attach to all Stock not transferred on the day for which it was bought, whether bought in or not.

N.B. English Omnium or Scrip, not paid in full, must be delivered before 2 o'clock.

78. Transfer receipts for English Stock, bought for a specified day, must be delivered by a quarter before 4 o'clock.

79. When English Stock is borrowed without any stipulation as to the time of returning it, the borrower or lender may be called upon to deliver or take the same on the following day, whether a regular transfer day or not.

80. Purchasers of Bank, India, or South Sea Stock may require, at the expense of the seller, as many transfers as there are even thousand pounds Stock in the sum bargained for.

81. On each of the three days preceding the account, and on the account, the clerk of the House shall fix the making-up price of Consols, by taking the average price between 11 and 2 o'clock on each of those days, and between 11 and a quarter before 1 o'clock on the account day, and no making-up is binding unless at such fixed prices.

Rules applicable both to English Stock and English Stock and Shares of Public Companies.

82. A member having sold Stock or other Securities, and transferred or delivered the same in accordance with the ticket or directions of the buyer, can demand payment of such buyer; but if the seller apply to the member whose name is on the ticket, and is refused payment, or receives a dishonoured cheque, the buyer is not exonerated, but liable to immediate payment.

83. Every member can demand payment of the difference of price between that marked on the ticket, and that at which the Securities were sold, when the sale was *below* the price existing at the time the ticket was tendered; or if sold at a *higher* price than the existing one, he can receive up to the price of the day.

RULES APPLICABLE TO SHARES AND STOCK OF PUBLIC COMPANIES.

84. An offer to buy or sell a number of Shares is binding upon the member making such offer, as to any part thereof.

85. The Committee will not interfere in a question where Shares or Stock are delivered in blank transfer.

86. All bargains in Shares or Stock, when no time is specified, and all bargains made before 12 o'clock on name days, shall be considered as made for the existing account.

87. The seller of Shares or Stock shall cause them to be transferred at the price marked on the ticket given him by the purchaser; but the seller shall not be compelled to take a ticket for Stock or Shares at a price not quoted in the authorized list during the account, unless the bargain represented by such ticket has been made within the two preceding accounts.

88. The seller is authorised to pay any call made on registered Shares, although not due, and to claim the same of the purchaser.

89. The buyer of transferable Shares or Stock to pay the *ad valorem* duty and all expenses of conveyance; and state on the tickets the amounts in which he may desire to have them transferred (provided that no amount requires a stamp beyond £9 10*s*.,) the seller to pay the increased expense of any subsequent division of the ticket.

90. The buyer of Shares or Stock who has passed a ticket for the same, shall be required, in the event of such ticket being divided, to pay for any portion of the Shares or Stock which may be presented, provided such sub-division is not less in number than 10 Shares, or in value than £200.

91. Purchasers of Stock or Shares may refuse to pay for a transfer unaccompanied by coupons or certificates, unless certified thereon officially that they are at the office of the Company. But Stock or Shares are not to be bought in until time is allowed the vendor to obtain the verification required, if perfect in all other respects; and if any question arise from the seller having a larger coupon than the amount of Stock conveyed, or only one coupon representing Stock conveyed by two or more transfers, the coupon may be deposited with the Railway Secretary of the Stock Exchange, which shall then be a valid delivery.

92. When Shares of Railway or other Companies are converted into Stock, and so quoted in the authorized list, buyers are required to pass names for *Stock*, and not Shares.

93. The buyer of Stock or Shares shall pass a name for the same before 12 o'clock on ticket-day, either in the Stock Exchange or at the seller's office; should he fail to do so they may be sold out, and the loss, if any, to fall upon him; should the ticket not be passed before 12 o'clock, the person receiving it to certify the same on the back thereof. The time for selling out from half-

past 2 to 3 o'clock; the person holding the ticket at 2 o'clock to be responsible, if sold out on that day, unless originally passed before 12 o'clock. Should the Stock or Shares not be sold till the following day, the person who held the ticket at *three* o'clock the previous day to be liable, unless it had not originally been passed before 12 o'clock on ticket-day. Every person passing a ticket must write on the back the name of the member to whom it is passed.

Every person who receives a ticket "after 2 o'clock," or "after 3," on the name day, shall notify the same on the back of the ticket, by drawing a line, or otherwise, in order to facilitate the tracing when Shares are sold out; and any person neglecting to do so will be held responsible for any loss that may be incurred.

If the ticket-day be fixed for Saturday, the time of selling out shall be from half-past 12 to 1 o'clock, and the person holding the ticket at 1 o'clock shall be liable.

Every member dividing a ticket must retain the original ticket, that access may be had to it should any of the Shares be sold out; and any member having passed the original ticket, is required to trace it in the event of any of the Stock or Shares sold out.

94. Any member altering a transfer ticket for Stock or Shares, or improperly detaining it, to make good any loss incurred by it.

95. Tickets to be left until 1 o'clock at the seller's office on name days.

96. When bargains have been made in Stock or Shares, and before their completion, the holder shall have become entitled to a proportion of new Shares or Stock, the buyer must give notice to the seller that he will complete the bargain forthwith to secure the new Shares or Stock; but without such notice he shall not be entitled to them, unless an especial contract be made at the time of purchase; and whenever parties have given continuation on Shares or Stock, they may require such bargain to be completed, after sufficient notice, on repayment of the money advanced, unless the lenders agree to the delivery of the new Shares or Stock attaching to the old ones.

But the buyer of Shares, Bonds, Obligations, or other Securities, subject to periodical drawing by lottery, or otherwise, shall not be entitled to claim delivery of the same, previous to the day for which contract has been made; and all such Securities shall, in settlement of account, be taken and delivered undrawn.

97. The Committee will not recognize any claim for new Shares attaching to the purchase of old ones, unless made in writing, and brought before them ten days after the first settling day appointed for their delivery.

98. In the event of sales of Shares which carry Shares not issued, and cannot be conveyed by the transfer of old ones, the Committee will, on application, fix a price for the settlement of the new Shares; and until they are delivered, the purchaser may deduct the sum so fixed from the purchase-money of the old Shares, or reclaim it if already paid.

99. If a member accepts an ante-dated ticket when tendered, he takes its liabilities; but if taken as an ordinary ticket, the liabilities to remain with the member putting it into circulation. And any person holding an undated ticket for Shares is not liable for the loss arising from the Shares having been bought in, if the ticket has not been ten days in his possession.

100. Any member who allows two days to elapse without exercising his right to sell out Shares or Stock, for which he has not received a name, has released the buyer from all loss caused by the failure of any party through whose default the name was not passed.

101. If a name be not given when Shares or Stock are sold out, within half-an-hour after the sale, the transfer can be made in the name of the purchaser.

102. Registered Shares or Stock not delivered within ten days, may be bought in against the seller at 12 o'clock on the eleventh day after the date of the ticket, all loss incurred thereby to be paid by him. The broker employed to buy in the Shares to give one hour's public notice before such purchase; and if the purchase be not made within half-an-hour after the time fixed, the notice to be cancelled. Shares so bought in to be delivered by 1 o'clock the day following, or may be repurchased for immediate delivery, without further notice, and the loss, if any, to be paid by the party causing such repurchase; and in case any profit arise thereon, it shall be paid to the Treasurer of the fund for decayed members.

103. Any member who allows fifteen clear days to elapse from the date of his ticket, without buying in, or attempting to buy in, registered Shares or Stock, shall be considered as having released the seller from all loss caused by the failure of any party, through whose default they were not delivered, unless the exercise of such right has been waived at the request, or by the consent, of the seller. The right to buy in Shares or Stock is limited to the member whose name is on the original ticket to pay.

104. On ticket-days the clerk of the Foreign market shall fix the prices of Shares at 3 o'clock (or on Saturdays at 1 o'clock), at which all the accounts shall be made up, and the differences paid.

105. No person is required to pay for registered Shares or Stock presented after half-past 2 o'clock, or half-past 1 o'clock on Saturdays.

106. The Committee will recognize no bargain in Stocks or Shares effected for a period beyond the end of the two ensuing accounts.

Rules applicable both to Transferable and Scrip Shares.

107. Shares in foreign companies, the certificates of which are required for payment of calls or receipt of interest, dividend, or bonus, not to be bought in while the certificates are out of the control of the sellers, the exact time for the delivery of such Shares to be fixed by the Committee.

108. Dealings in all Shares to be ex-dividend or ex-interest from the beginning of the account following that in which the dividend has been declared, or the interest has become due.

Shares in foreign railways to be quoted in the London list of ex-dividend or ex-interest, at a period which accords with the Bourse at Paris, so as to assimilate the dealings at both places.

Rules applicable to Securities deliverable to Bearer.

109. All bargains in Exchequer Bills are for bills not filled up to order.

110. Foreign Stock or Scrip Shares bought for any period, except the Account-day, not to be delivered before half-past 2 o'clock on that day (or

half-past 12 on Saturdays,) may be repurchased, through the medium of a broker, before 3 o'clock on the same or on any subsequent day, and any loss or charge incurred thereby to be borne by the original seller. But Foreign Stock or Scrip Shares bought for the account-day, and not delivered before 3 o'clock, may be bought in the following day at half-past 12 o'clock; the loss, in such cases, to fall against the person who shall not have delivered the Shares at 3 o'clock on the settling-day; any member neglecting to take the numbers of Stock or Shares so bought in, shall be required to trace out the responsible party.

111. On every settling-day, at 3 o'clock, the clerk of the Foreign market shall (with the concurrence, if necessary, of a member of the Committee) fix the prices of Foreign Stock and Scrip Shares, at which prices all undelivered Stock shall be made up, and the differences paid in the usual manner.

Buyers of Foreign Stock or Scrip Shares shall pay for such portion as may be delivered before 3 o'clock.

112. A member having sold Foreign Stock or Scrip Shares for a particular day, which the buyer is not prepared to pay for by half-past 2 o'clock that day (or half-past 12 on Saturdays), may resell the same through a broker, and claim any loss incurred of the original buyer.

113. The Committee will recognize no bargain done in Foreign Stock or Scrip Shares for a future account for a period beyond the end of the two ensuing accounts.

114. All bargains in French Rentes to be in certificates to bearer.

115. An offer to buy or sell a sum of Foreign Stock at a price named, to be binding as to any part thereof, not less than the following sums, and divisible by the same, viz. :—

£1,000 Stock or Scrip,

1,000 Francs of French Rentes,

£1,036 Russian Stock, or any other Foreign Security representing about £1,000 Stock.

116. Every Bond or Scrip Share to be considered perfect, except materially damaged or torn, or the wording obliterated; and in case any dispute arise on the point, to be left to arbitration. Where Bonds or Shares are delivered with irregular coupons, the Committee will take no cognizance of any complaint of the same, should they be detained by the purchaser beyond *three* days after delivery. No Bond or Scrip Share can be returned on account of imperfection, if detained more than *three* days from that of delivery, unless the party passing it was aware of its being imperfect.

117. No member is required to pay for Foreign Stock or Scrip Shares presented after 3 o'clock or after 1 o'clock on Saturdays.

118. The clerk of the foreign market, at 12 o'clock on each of the two days preceding each foreign settling, fixes the making-up prices of all Foreign Stocks and Scrip Shares, by taking the then actual prices, and no making-up to be binding except at those prices.

119. All bargains in Foreign Stocks or Scrip Shares to be considered for the existing account, when no time is specified.

120. Bonds of British or Colonial Railways, the dividends being payable in

England, in pounds sterling, are dealt in with interest from the day of delivery, and the accrued interest paid by the buyer; but in Railway Bonds of the United States of America, and of all other foreign railways, the accruing interest to be included in the price.

121. A member allowing three days to elapse without exercising his right of buying in Scrip Shares or Bonds, to be considered as having released the seller from any responsibility arising from the failure of any party through whose default the Shares or Bonds were not delivered, except such right has been waived by the seller.

The right to buy in Shares or Bonds is limited to the original purchaser.

Quotation of Prices.

122. A list of prices of English and Foreign Stocks, Shares, and other Securities shall be published under the authority of the Committee; and no Securities can be inserted in that list but by the sanction of the Committee.

123. No price of English or Foreign Stock or Shares, or other Securities, shall be inserted in the said list, unless both parties to the bargain be members of the Stock Exchange; nor on the authority of one of them, if such person refuse, when required by a member of the Committee, to give up the name of the other party thereto; nor unless the bargain shall have been made in the Stock Exchange, or at the then market price.

124. All business in English or Foreign Stock, or other Securities, done for the following or (after 1 o'clock) next transfer day, may be marked in the daily list of money prices.

125. The prices of English Stock, except Bank Stock, to be quoted ex-dividend, commencing on the day after the shutting of each Stock respectively.

126. Bargains in all Stocks for the opening, made during the shutting, may be quoted in the Official List.

127. Securities bought above or sold below the market price, owing to the stamp rendering a sacrifice necessary, shall not be permitted to mark.

128. All bargains in Foreign Bonds permitted to be marked in the Official List, may be quoted with or without coupons.

129. When a loan is contracted, the prices of Omnium may be quoted for delivery of the receipts, and afterwards for money, and the next succeeding payment.

130. The prices of bargains done in the following amounts of Stock may be quoted in the Official List:—

£500 Stock in Government Perpetual Annuities.

£1,000 of Omnium or Scrip.

£20 per annum of Long Annuities, or Annuities for a term of years.

£500 of Bank, India, or South Sea Stock or Annuities.

£1,000 in Exchequer Bills and India Bonds; under that amount to be quoted separately, whether of £500 or any smaller amount.

£1,000 of Foreign Stock or Securities, or Stock or Scrip, or an amount representing about £500 in money; if under that amount to be quoted separately.

Five Scrip Shares.

131. All bargains must be quoted in the Official List as they are made; but should any omission occur inadvertently, the clerks are to quote such bargains, if notified before 1 o'clock, in the order in which they were made, on a *written* application from the buyer and seller, stating the amount, time, and price, at which they were made; the same regulation applies to all bargains done between 1 and 3 o'clock.

132. No price inserted in the authorized List can be expunged, except by the authority of the Chairman, Deputy-Chairman, or two members of the Committee.

133. Upon application to the Committee for a quotation of prices of any company (with or without a settlement), it shall be necessary for the broker of the company (if any) to attend and declare that he has examined the several documents presented to the Committee, and has every reason to believe that they are correct.

134. The Shares of a new Mining company cannot be quoted in the Official List, unless registered, and delivered by transfer only; but the Committee reserve the power of quoting the Shares of such companies as shall fix an early day for registration and transfer.

135. No new railway or industrial company, governed by foreign laws, can be quoted in the Official List, without official proof be given to the Committee of the legal recognition of such company by the laws of the country whence it emanates.

Settling Days.

136. The Committee shall fix the Settling-days for English Stock, at least eight days previous to the settlement of the pending account; and those for Foreign Stock, Shares, &c., for the succeeding month, at the first meeting of the Committee in each month; of which the Secretary must give the usual notice.

137. The Settling-day in Omnium and Scrip to be two days prior to the respective days of payment of each of the several instalments.

138. The Committee will fix a settling-day for the shares of a new Railway or other industrial company, and order its quotation in the official list, on being satisfied of the *bonâ fides* of the concern, and on the fulfilment of the following conditions:—

That the application (which must be previously laid before the Secretary of the Railways Department of the Stock Exchange, and certified by him,) be accompanied by the Banker's Pass Book, and a certificate from the Secretary of the Company, stating that not less than *two-thirds* of the Shares have been subscribed for, and the deposit paid thereon (such payment to be certified by the Bankers of the Company); that the Scrip, or Shares, are ready for delivery; and that no impediment exists to the settlement of the account.

The Committee will, notwithstanding, fix a settling-day for any new Company, in cases where the foregoing conditions have not been complied with, provided the Scrip, or Shares, be ready for delivery, and that no impediment exists to the settlement of the account; it being expressly understood that when a settling-day is fixed under these circumstances, the Shares of such Company shall not be quoted in the official list.

The Secretary, in announcing to the Stock Exchange a settling-day for Shares of a new Company, shall state, in his notice, whether it be fixed with, or without, the authority for its insertion in the official list.

Failures.

139. Any member unable to fulfil his engagements, shall be publicly declared a defaulter by direction of the Chairman, Deputy-Chairman, or any two members of the Committee.

140. Any person declared a defaulter, ceases immediately to be a member.

141. Any member who may become bankrupt, or otherwise fail in his engagements with his creditors, ceases to be a member although he may not be, at the same time, a defaulter in the Stock Exchange; and the Committee will not entertain any application for his re-admission, until they shall have received the report of a Sub-Committee, which shall be specially appointed to investigate the conduct and circumstances of such bankrupt or insolvent, such Sub-Committee to consist of not more than *three* members.

142. When a member shall give *private* intimation to his creditors of his inability to fulfil his engagements, such creditors shall not make any compromise with such defaulter, but shall immediately communicate the same to the Chairman, Deputy-Chairman, or two members of the Committee, that the party may be immediately declared a defaulter; and, in case the Committee shall obtain knowledge of any private failure, the name of the defaulter shall be publicly declared.

143. Any member conniving at a private failure, by accepting less than the full amount of his debt, shall be liable to refund any money or securities received from such defaulter, provided he shall be publicly declared within two years from the time of such compromise; and the property so received shall be given up and applied to liquidate the claims of the subsequent public creditors.

144. If a creditor of a defaulter be dead, the dividend due to him shall be paid to his legal representative; but if the creditor himself be a defaulter, the dividend due to him shall be paid to his creditors.

145. Any member who shall have received a difference on an account, prior to the regular day for settling the same, or shall have received a consideration for any prospective advantage, whether by a direct payment of money, or by the purchase or sale of Stock at a price either above or below the market price at the time the bargain was contracted, or by any other means, prior to the day for settling the transaction for which the consideration was received, shall (in case of the failure of the party from whom he received such difference or consideration,) refund the same for the benefit of the creditors at large; and any member who shall have, under the circumstances above stated, paid or given such difference or consideration, shall again pay the same to the creditors; so that, in each case, the parties may stand in the same situation with respect to the creditors at large, as if no such prior settlement or other arrangement had taken place.

146. If a creditor shall, under any circumstances, receive a larger proportion of differences on a defaulter's estate than that to which each of the

creditors is entitled, he shall refund such a portion of it as shall reduce his dividend to an *equality* with the others.

147. In the case of loans of money made upon Securities valued at less than the market price, the lender shall be entitled to avail himself of such additional security, and afterwards prove his balance against the estate of the defaulter, should his security, when realized, be inadequate to the discharge of his loan; but such Securities, if not realized within three clear days, (unless the Trustees agree to a longer delay,) must be taken by the lender, at a price to be then fixed by the official assignees, with appeal to any two members of the Committee.

148. No loan without security shall be admitted as a claim on the differences of a defaulter's estate; nor shall any such loan, when it is of longer duration than two business days, be admitted as a claim on any other of his assets.

149. Differences allowed to remain unpaid for more than two business days, beyond the day on which they shall have become due, cannot be proved against a defaulter's estate, or set off against any difference due to a defaulter at the time of his failure. Differences due and paid previous to default not to be refunded.

150. No defaulter shall be re-admitted who, within fourteen days from the date of his failure, shall not have delivered to the official assigness, or to his creditors, his original books of account, and a statement of the sums owing to, and by him, in the Stock Exchange, at the time of his failure.

151. On the failure of a member, his accounts shall be divided into two distinct estates, one consisting of the claims arising on English Stock, and the other on Shares and Foreign Stocks; and the money paid by a defaulter from his own resources, shall be divided between such estates in proportion to their balance claims; and the security-money, if any, shall be divided in like manner.

152. Any member having privately compounded with his creditors, and in consequence of the discovery thereof having been declared a defaulter by the Committee, shall not be eligible for re-admission for six months from the time of his being declared, nor shall his sureties be called upon to pay their security-money.

153. Any member becoming a defaulter, and not paying from his own resources, independently of his security-money, at least one-third of the balance of any loss that may occur on his transactions, whether on his own account or that of principals, shall not be eligible for re-admission; and in the event of any defaulter's debts being less than the amount which his securities may be called upon to pay, such defaulter shall not be eligible for re-admission till he has refunded to the securities one-third of the amount paid by them.

154. Any member passing a ticket for English Stock or Shares, whereby loss is incurred or increased, and who shall be declared a defaulter in that account, shall not be eligible for re-admission for at least one year from the date of such default, provided it be proved to the satisfaction of the Committee that he knew himself to be insolvent at the time of passing the said ticket. Any defaulter pocketing a ticket shall incur the same penalty.

155. No member shall carry on the business of a defaulter for his benefit, without the consent of the creditors.

156. No member shall deal with any defaulter on his own account before his re-admission to the Stock Exchange.

157. No member shall transact business for a principal who, to his knowledge, has been a defaulter in dealing with another member, unless such person shall have made a satisfactory arrangement with his creditors.

158. Parties not members of the Stock Exchange may, with the consent of the creditors, be allowed an equal participation of assets, subject to the same conditions as members; and any one of the public whose claim is so admitted, shall have the right to be represented at the meeting of creditors by any member of the house he may select.

159. No member, being a creditor upon a defaulter's estate, shall sell, assign, dispose of, or raise money upon his claim on such estate, to any party or parties not members of the Stock Exchange, without the concurrence of the Committee; and in every case such assignment shall be immediately communicated to the official assignees.

160. Upon any application for the re-admission of a defaulter, a Sub-Committee, consisting of not more than three members, shall be appointed to investigate his conduct and accounts; and no further proceedings shall be taken by the Committee with regard to his re-admissson, until the report of such Sub-Committee shall have been made.

The attention of the Sub-Committee shall be directed,

1st,—To ascertain the amount of the greatest balance of Stock or Shares open at any time during the progress of the account, the current balance at his bankers, as well as the balance of Stock or Shares open at the time of failure; and whether the transactions were on his own account or on account of principals, specifying the amount of each respectively.

2nd,—To ascertain the total amount of money paid by him; distinguishing the sums collected in the Stock Exchange; those from principals; and the money or other property brought forward by himself.

3rd,—To ascertain the conduct of such defaulter preceding and subsequent to his failure, and any other facts which they may deem essential to inquire into.

4th,—To ascertain whether the defaulter has violated Rule 154.

161. The re-admission of defaulters shall be in three distinct classes:—

The *first* class to be for cases of failure arising from the defection of principals, or from other unfortunate vicissitudes, where no bad faith nor breach of the regulations of the house has been practised; where the operations have been in reasonable proportion to the defaulter's means or resources; and where his general conduct has been irreproachable.

The *second* class for cases marked by indiscretion and by the absence of reasonable caution only; or by conduct reprehensible in other respects.

The *third* class for cases where the defaulter is ineligible under either of the former classes; but whom, nevertheless, the Committee may not feel warranted in entirely excluding from the Stock Exchange.

The final decision of the Committee on each defaulter's application shall be notified to the members in the usual way, and remain posted in the Stock Exchange for thirty days.

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162. Every defaulter, bankrupt or insolvent, (applying for re-admission) shall furnish the Sub-Committee with every information they may require.

163. Whenever the creditors of a defaulter shall represent to the Committee, or whenever it shall otherwise appear to the Committee, that his conduct has been dishonourable, the Committee have the right to cause the name of such defaulter to be affixed on the black board in the Stock Exchange. But no resolution shall be come to upon any such case, except by a Committee, summoned for the express object of considering the same; which Committee shall be composed of not less than twelve members, three-fourths of whom must concur in its adoption.

164. When a defaulter shall apply for re-admission, and the Committee shall have thought it right to demand the name or names of any principal or principals indebted to such defaulter, the ballot shall not be proceeded with until such name or names be given up.

Official Assignees.

165. Two or more members shall be appointed annually by the Committee to act as official assignees, whose duty it shall be in case of failure, whether recent or otherwise, to attend each meeting of creditors; to summon the defaulter before such meetings when required; to enter into a strict examination of every account; and to manage such estate in conformity with the direction of the majority of the creditors present.

166. In every case of failure, the creditors shall select two or more persons to act as Trustees, who shall cause to be collected, and pay over the assets to the account of the Trustees of the Fund for Decayed Members at the Bank of England, and the assignees shall keep a regular account of all such sums received; and as soon as a dividend can conveniently be made, the Trustees of the Fund for Decayed Members shall, on the authority of the Trustees of the defaulter's estate, pay the requisite amount to the credit of a separate account to be opened at a bankers, in the joint names of the official assignees, who shall immediately divide the same.

A statement of all sums so paid over, and of the amount remaining in the hands of the Trustees of the Fund for Decayed Members on the 31st of December in every year, shall be furnished by the official assignees, and deposited in the Committee-room for the inspection of the members of the Stock Exchange.

167. The official assignees shall render to the Committee an account of every defaulter's estate, to be registered in a book kept for that purpose by the Secretary, who shall receive a remuneration of two guineas from each estate for so doing.

168. The official assignees shall publicly fix the prices at which a defaulter's transactions shall be closed, such prices to be those current in the market

immediately before the declaration; but, in the event of any doubt as to the prices named, it shall be referred to any two members of the Committee.

The scale of remuneration to the official assignees shall be as follows:—

On the first £1,000 collected .....4 per cent.
from £1,000 to £5,000 .....2 per cent.
from £5,000 to £10,000 ....1 per cent.
from £10,000 upwards .....½ per cent.

169. In every case of failure the official assignees shall make immediate application to the defaulter for the delivery of his original books of accounts, and a statement of the sums owing to and by him in the Stock Exchange, informing him that by Rule No. 150 he will be excluded from re-admission if such books and accounts are not delivered to them within fourteen days from the date of his failure.

170. If, in the examination of a defaulter's accounts, the official assignees have reason to suspect any bargains to have been effected at unfair prices, they shall have the power of investigating the same.

171. The official assignees are not to claim any differences on a defaulter's estate until they become due.

Once in every month the official assignees shall lay before the Committee for General Purposes an account of the balances in their hands belonging to defaulters' estates.

On the 1st of March in each year the official assignees shall lay before the Committee for General Purposes a statement of all dividends paid during the past year on each defaulter's estate.

Abbreviated and Technical Terms.

Several terms used in common parlance on the Stock Exchange are expressed in an abbreviated form, while others are quite peculiar to its members, among which the following are the principal:—

Consols is an abbreviation of *Consolidated Annuities*, and constitute the principal Government Securities dealt in on the Stock Exchange.

Scrip signifies a *Writing*, and is applied to the receipt given in exchange for payments made on account of a loan, before the actual Stock is created; and also in return for deposits on account of Shares in a new Company, which is commonly sold in the Stock Exchange, until all the instalments are paid up as in the case of loans.

Omnium is an expression used to denote the *whole* of the Stocks which are comprised in a Government Loan, or in any Conversion of the Public Securities for one or more descriptions of Stock to be given in exchange for £100. Thus, if a loan be contracted in Consols, and an Annuity, as in the case of the loan of £16,000,000 in 1855, the two together are called the *Omnium*, but the Annuity may be sold separately from the Consols.

A *Bull* on the Stock Exchange is one who buys Securities to sell at a *higher* price; and when parties thus engaged prevail in the market, the *account* for

which they purchase is said to be "A Bull Account," as the speculation is for a *rise* in prices.

A *Bear* is one who sells to buy back at a *lower* price; and when the parties thus engaged prevail in the market, the account is said to be "A Bear Account," as the speculation is for a *fall* in prices. As both *Bulls* and *Bears* make their profits upon the *differences* between buying and selling, each one exercises his skill in dealing with the probable future state of the Stock and Share Market. It, however, sometimes happens that an unexpected event may occur that either of these speculators may be disappointed in his calculations as to the probable future state of the Stock or Share Market.

Jobbers and *Brokers.*—The members of the Stock Exchange are composed of these two classes: the *Jobber* is the one who deals in Stock and Shares, and fixes the price at the market value, and who also buys or sells to the *Broker*: the *Broker* buys of, or sells to, the *Jobber* for his principal, and charges a commission for each transaction.

Option, as the term implies, gives a party the choice to do one of two things, and in the phraseology of the Stock Exchange may be an option either of a "put" *or* "call," or a "put" *and* "call;" terms first adopted by speculators in East India Stock. If a person gives so much for the *Option* of a "put" *and* "call," he has the right of *buying* or *selling* a certain amount of Stock on a day fixed upon the day he pays the *Option* money. If, at the time of paying the *Option* money he gives a certain sum for a "put," he only pays for the right of *selling* Stock; but if he pays *Option* money for a "call," he has only the right of *buying* Stock, at a fixed price, upon a certain day. These operations can be done on any day, or for the whole period of the "Account." *Option* money is paid to the Broker by his principal at the time of the transaction; and should the price fixed upon happen to be the same at the termination of the *Option*, the person paying the money has the choice of buying or selling, or he may decline to do either. The "Account Option Day" is the day before the account; and the time for closing *Options* each day is a quarter before three o'clock, and a quarter before one o'clock on Saturdays. For shares, *Options* close on "name day."

Contango or *Continuation.*—Either of these terms is used when a *buyer* of Stock pays to the *seller* a certain rate of interest for carrying over, from one "account" to another, the amount of Stock bought, in the expectation that prices may be more favourable to his speculations.

Backwardation.—This term is similar to the previous one, but applies to the *seller* of Stock, who pays a premium to the *buyer* for lending, from one account to another, the amount of Stock sold, under the expectation that a future account may be more favourable to his speculations.

Premium.—This term is applied to Stock or Shares whenever the market price rises above the nominal value at which they were originally fixed. In the case of *Stock*, which is fixed in sums of £100 in nominal value, should the market price rise to £105, such Stock would be at a *premium* of 5 per cent. In the case of *Shares*, should the original value be fixed at £20, and the market price rise to £25, they would be at a *premium* of £5 per share, or 25 per cent.

Discount.—This is the reverse of *premium.* If *Stock*, originally fixed at £100, be quoted at 95, it is at 5 per cent. *discount.* If Shares, which were originally fixed at £20, decline in the market to £15, they are said to be at £5 *discount* or 25 per cent.

Par.—When *Stock* sells in the market at the same price as originally fixed, it is said to be at *par.* Thus, when Consols are quoted on the Stock Exchange at 100 they are then at *par* value, because the nominal and market value of £100 in such Stock are the same. This rule applies to all kinds of Stock and Shares of public companies.

Quotations.—The prices, or quotations, of the Public Stocks, and other Securities, are frequently expressed in fractional parts, the lowest of which is *one-sixteenth* of a pound sterling, equal to 1*s.* 3*d.*; but they are more generally expressed in parts of *one-eighth* of a pound, equal to 2*s.* 6*d.* The following table shews the actual money value of these quotations:—

			£	s.	d.
Consols at	$90\frac{1}{16}$	=	90	1	3
,,	$90\frac{1}{8}$	=	90	2	6
,,	$90\frac{1}{4}$	=	90	5	0
,,	$90\frac{3}{8}$	=	90	7	6
,,	$90\frac{1}{2}$	=	90	10	0
,,	$90\frac{5}{8}$	=	90	12	6
,,	$90\frac{3}{4}$	=	90	15	0
,,	$90\frac{7}{8}$	=	90	17	6
,,	$90\frac{15}{16}$	=	90	18	9

Ex dividend or *ex div.* signifies that the prices of any Stock or Share is quoted without the dividend; but so long as Stock is quoted without this appendage the buyer is entitled to whatever interest has accrued upon it up to the time of purchase: the interest thus accruing upon public securities gradually increases their actual value up to the time when they are thus quoted.

Transfers, Dividends, &c.

In transactions connected with the public funds, there are certain days appointed for the transfer of the different Stocks and Annuities at the Bank and the East India House. All Government Stocks are transferred at the Bank of England, and all dividends are paid at that establishment. There are certain days in the week fixed for the transfer of the different Stocks, namely, Tuesdays, Wednesdays, Thursdays, and Fridays; but transfers can be effected on any other day of the week, on payment of a fee of 2*s.* 6*d.*, both at the Bank and the East India House, which is considered a private transfer. The exceptions to this regulation are the days of "shutting," that is, when the books of the Bank are closed against the public for the purpose of making out he dividend warrants: this occurs twice in every year for all the Stocks and Annuities, and continues for about five or six weeks before the dividends become due. The time for transfers is from 11 o'clock to half-past 2 o'clock; and the *ticket* for transfer must be deposited in the proper office before 1 o'clock

at the Bank, and at the East India House before 2 o'clock, or else a fee of *2s. 6d.* must be paid; and no transfers can be made on Saturday later than 1 o'clock. *Life* Annuities are transferable at the *National Debt Office*, in *Old Jewry*, but this cannot be done in the form of a share or part of an Annuity; and transfers are not made during the "shutting" of the transfer books. These Annuities, if transferred between the 5th of January and the 4th of April, or between the 5th of July and the 9th of October, become payable on the 5th of January and the 5th of July, in each year; but if transferred between the 5th of April and the 4th of July, they become payable on the 5th of April and the 10th of October, in each year.

The *Dividends* on the Government Stocks and Annuities are due on the 5th of January, the 5th of April, the 5th of July, and the 10th of October, in each year; but are customarily paid to the public *three* days after such dates, or four, when Sunday intervenes, from 9 to 3 o'clock. The following tabular statement shews the transfer days for each description of Government Securities, and the date when the dividends become due:—

Government Securities.	Transfer Days.	Dividends due.
New 2½ per Cent Annuities	Tues., Wed., Thurs., Friday	5 Jan. & 5 July.
3 per Cent. Consols Annuities	,, ,,	5 Jan. & 5 July.
3 per Cent. Reduced Annuities	,, ,,	5 April & 10 Oct.
New 3 per Cent. Annuities	,, ,,	5 April & 10 Oct.
New 3½ per Cent. Annuities.....	,, ,,	5 Jan. & 5 July.
New 5 per Cent. Annuities	,, ,,	5 Jan. & 5 July.
Long Annuities ..... expire Jan. 5, 1860	,, ,,	5 April & 10 Oct.
Annuities for 30 years, expire Oct. 10, 1859	,, ,,	5 April & 10 Oct.
Ditto ditto expire Jan. 5, 1860	,, ,,	5 Jan. & 5 July.
Ditto ditto expire Jan. 5, 1880	,, ,,	5 Jan. & 5 July.
Ditto ditto expire April 5, 1885	,, ,,	5 April & 10 Oct.
Exchequer Bonds	.....	8 May & 8 Nov.
Exchequer Bills	.....	In March & June.

Bank Stock.—The transfer days for Bank Stock are Tuesday, Wednesday, Thursday, and Friday, and the *dividends* are payable on the 5th of April and the 10th of October, at the Bank, from 9 till 3 o'clock.

East India Stock.—The transfer days for East India Stock are Tuesday, Thursday, and Saturday, from 11 till 3 o'clock. Private transfers can be made on other days by paying a fee of *2s. 6d.* for each transfer. The *dividends* are due on the 5th of January and the 5th of July, in each year, and are payable at the East India House from 9 to 3 o'clock.

India Bonds.—The interest on these Bonds becomes due on the 31st of March and the 30th of September, in each year.

South Sea Annuities.—These Annuities having been paid off in 1853, do not come under the category of Government Securities.

The ordinary Holidays kept by the Bank are Good Friday and Christmas Day; and in the Transfer-offices there are no transactions with the public on the 1st of May and the 1st of November, in consequence of striking the half-yearly balances.

At the Exchequer Office and the East India House, Good Friday and Christmas Day are also kept as a close holiday.

Mode of Transacting Business in Public Securities.

Purchases for Money and Account.—The purchase or sale of Stock in the public funds for *money*, or as it is sometimes called for *transfer*, is when the broker acts on behalf of any individual or public body, in purchasing or selling Stock, in which case there must be a transfer made at the Bank of England. Quotations for *money*, therefore, are the market prices of the day, and in performing these operations the difference between the selling and buying price is *one-eighth* per cent. Thus: if Consols are quoted at 92 to 92⅛, the *seller* obtains 92, and the *buyer* has to pay 92⅛, the difference being the dealer's profit. The broker's charge for buying and selling the public Stocks 2*s.* 6*d.* per cent., except India and Exchequer Bills, for which 1*s.* per cent. is charged. The other exception to this rule is in the Long Annuities, for which 2*s.* 6*d.* per cent. is charged on the *capital* sum invested. In such transactions the broker adds the per centage to the *price* of Stock *purchased*, and deducts it from the price of *sales*.

Time bargains, or purchases and sales for account, consist of those speculative transactions carried on from day to day by the members of the Stock Exchange, one selling and the other buying: but a seller one day may become a buyer the next, and the reverse; and it not unfrequently happens that the buyer and seller make up their accounts before settling day, when the "*differences*" have to be paid: and in this manner transactions involving very large sums are conducted with only a small amount of actual money. But in order to avoid the difficulties in which such transactions may involve a person, not only is great prudence required, but a great knowledge of circumstances which daily arise to influence the value of public and private securities. The persons who enter largely into these speculations are the *Bulls* and *Bears*, whether they are in possession of Stock or not.

There is also a class of persons who frequent the neighbourhood of the Stock Exchange, that are not members of that establishment, termed "Stags," "Outsiders," and "Lame Ducks," who carry on speculation in the Stocks and other Securities, and write for Shares in Loans and new Companies in fictitious names; but the practice of demanding a deposit, to be accompanied by an application for Shares, has in some degree frustrated the views of this class of speculators.

The operation of transfering Government Stock at the Bank is very simple and inexpensive. When a bargain has been made between two parties as to the amount, price, &c., they retire to the Bank to complete the transfer: the seller or his broker makes out a note containing the name and all particulars of the seller and buyer, with a special description of the Stock to be transferred, which is handed over to the proper clerk at the Bank; a form of receipt is then given to the seller, or his agent, to fill up, and when examined by the clerk, and considered satisfactory, he makes the transfer. The seller signs his name in the Bank books, and delivers up the receipt. The purchaser then signs the book, accepting the transfer; after which the clerk signs his

name as witness to the receipt, and hands it to the purchaser on payment of the money; the transaction is then completed.

But although the process of transacting business in the Government Stocks is made as simple as possible, it is always desirable to have it done through the assistance of a broker acquainted with the particular details necessary to be understood; as parties thus employed, who have any standing, are known to the principal officers at the Bank, and are responsible for what they undertake.

Powers of Attorney.—These instruments are employed to enable one person to act on behalf of another. A broker or agent, acting for a principal, cannot sell, deliver, nor transfer any Government Stock, nor receive dividends thereon, unless by a Power of Attorney, which may be obtained at the Bank; they are of two kinds, stamped and unstamped. When the dividends do not exceed £3, a stamped Power is not requisite.

It frequently happens both with regard to the selling of Stock, or the receiving of dividends, that a Power of Attorney is granted to act for the principal. When this power is to transfer, or sell Stock, it must be deposited in the proper office of the Bank on the *day before* such sale or transfer is intended to be made, not later than 2 o'clock: by application to the Bank in special cases the Power may be acted upon the same day.

The charge for a stamped Power at the Bank is 21*s.* 6*d.*, and for an unstamped Power 1*s.* 6*d.* At the National Debt Office the cost of a stamped Power is 20*s.*, and for an unstamped Power there is no charge. In giving instructions for these Powers it is necessary to be very accurate in the particulars required, or the Bank may refuse to act upon them. These Powers must be left at the Bank the day prior to their being acted upon, by 2 o'clock.

There are some particulars connected with the execution of these Powers that are important:—1. They must be attested by *two* credible witnesses, against whose names their addresses, the county, and occupation must be written. If they are servants, the names, addresses, and occupation of their employers must be given: and in case of residing in London, or any large town, the number of the house, and name of the street. 3. All dates must be expressed in *words.* 4. The wife cannot attest a Power executed by her husband; but they may both be witness to a Power executed by any other party. 5. A person under age cannot be an attesting witness. 6. Any person executing a Power unable to write must have it attested by the Minister of the Parish and one Churchwarden, or by two Churchwardens, and declare that it has been read in his hearing. 7. Should any part of a Power of Attorney be interlined, altered, or erased, the attestation must set forth that such has been done *previously* to its being executed.

These particular regulations, though apparently tedious, are nevertheless necessary as safe-guards for the protection of the real owners of property invested in Government and other Securities; and wherever parties are themselves unacquainted with the necessary forms and regulations, they will always find the authorities at the Bank willing to communicate to proper persons what is really necessary to be known.

A Power of Attorney to receive *dividends* need not be presented at the

Bank until application is made by the party authorized to receive such dividends as are due.

A Power of Attorney is sometimes cancelled, of which it is necessary to inform the Bank, stating the particulars of Stock, and to whom the Power was granted. These Powers sometimes become void by the proprietor taking the dividend himself, or by granting a Power to another party. Also, when the death of a proprietor is known at the Bank, and when more Stock has been added to the account in the Bank books. Several other regulations are connected with these Powers which vary according to circumstances, which are well understood by experienced brokers.

In *Trust Accounts* there are many special regulations. The Bank do not recognise any parties as *trustees* on investing Stock; and whether property in trust be invested on a single, or a joint account, merely the names, address, and quality are entered into the books, and no account can be opened in the name of more than *four* persons. As a general rule executors, however, can dispose of Stock, whether specially bequeathed or otherwise. Stock invested in the name of a *minor* cannot be sold, neither can the dividends be received, until he or she shall be of full age, when a certified register of the baptism is required by the Bank, unless proved by the lapse of time.

Stock placed into a *joint* account at the Bank, in which one or more is a *minor*, cannot be sold until the youngest shall be of full age: but the adults may personally receive the dividends at the Bank, though not under any Power granted.

Stock is not allowed to be added either to a sole or joint account, where a death has been made known to the Bank.

Probates of Wills or Letters of Administration.—In all cases of claims made on the property of deceased persons at the Bank, there must be a *proof of death* delivered, which is done by depositing a *Probate of the Will*, or *Letters of Administration*, with the proper authorities, until the proof is satisfactory. In some cases a declaration of identity is necessary, made by some disinterested person, which should be done with great accuracy, especially when the address and particulars of the deceased Stockholder do not correspond with those in the Probate of Will, or Letters of Administration, as in such cases a declaration is always required.

In *Joint Accounts*, for the *proof of death*, only burial registers and declarations of identity are required; but the death of the *last survivor* in Joint and Executorship Accounts, Probate of Will, or Letters of Administration, accompanied by a declaration of identity, are necessary. But it must be remembered that a certificate of death from a Registrar of Deaths is *not accepted* at the Bank of England, but must come from the authorities where the deceased was buried.

Powers of the Court of Chancery.—There are certain powers granted to the Court of Chancery connected with trusteeships and executorships, by special Acts of Parliament, when they do not come within the ordinary regulations of the Bank. 1. As regards infants and lunatics. 2. Where trustees die without heirs, and it is uncertain as to whether a trustee is living or not.

3. Where trustees refuse to act. 4. Where trustees or mortgagees become bankrupt. 5. Where the rights of trustees unborn are concerned. In all cases of this kind the Court of Chancery can exercise its authority over the Bank of England or any other corporate body.

Dividends unclaimed for ten years or more are transferred to the Commissioners for the Reduction of the National Debt; but they may be recovered subsequently at any time by application to the Bank of England, by the claimant proving satisfactorily to the Bank that he or she is legally entitled to them. An alphabetical list of these dividends is published, with the names of the investors; but this affords very scanty information upon the subject.

Life Annuities.—These annuities are granted by the Commissioners for the Reduction of the National Debt, in the *Old Jewry*, to persons under certain regulations, either upon the life of the individual who applies, or upon the life of another party, who is called the *nominee*, and whose age must not be below fifteen years, nor above sixty-five years, except the nominee can prove that he or she has a *bonâ fide* interest in the annuity.

Annuities for Terms of Years cannot be purchased for a shorter period than *ten* years.

Deferred Annuities can be secured after the death of a nominee by annual instalments of £5 and upwards.

The documents connected with the purchase and transfer of Life Annuities at the National Debt Office are exempt from Stamp Duty except Powers of Attorney, which costs 20*s.*, in which one or more annuities may be included.

For the printed Rules of the Commissioners see National Debt Office.

Bank Stock.—There is scarcely any difference between the mode of negotiating Bank Stock and the Government Securities except as regards the Stamp Duty which is 9*s.* on any sum not exceeding £25, and exceeding £25 the Stamp Duty is 12*s.*, and 2*s.* 6*d.* per cent.

When the dealings are for *Account*, the Stamp Duty of 9*s.* is paid by the principal; but a charge of 12*s.* is paid at all times by the *seller*, where the amount of Stock sold is £1,000 and upwards; and when below that amount, it is paid by the *principal.*

Exchequer Bills.—These securities form what is considered a part of the floating debt of the Government, and run twelve months from the time of issue, bearing interest from the day on which they are dated. The holders of them may, at the end of the year, either receive the money for them at par with interest, or have them renewed, at their option: but if paid off the holder has the disadvantage of losing the premium on them should there be any at the time: and no interest is allowed on them after they become due. If not presented at the proper time for renewal of payment, they are paid off with interest to the date when they become due, of which due notice is given by the Treasury. These securities are largely held by bankers and others, who require to realize money at short periods, though they frequently realize a rate of interest much below the market value of money. These securities are negotiated by adding the accruing interest to the principal, at the rate at which they are current: therefore the purchaser has to pay to the seller whatever

amount has accrued up to the date of the sale. These securities are transferred without endorsement when the holder does not write his name in the blank line of the bill. The brokerage is 1*s.* per cent.

Exchequer Bonds.—These securities are of longer date than Exchequer Bills, and are divided into series of A. B. C. and D., as shewn at page 27, By 17 Vict. c. 23, their currency cannot exceed six years, and the rate of interest cannot exceed 4 per cent. per annum. The present rate of interest is 3½ per cent. per annum, payable on the 8th of May and the 8th of November in each year. To each bond is attached coupons which may be kept by the owner, while the bond may be deposited for safety at a banker's. There is no Stamp Duty on them; they are transferable on delivery, and payable "to Bearer." *

Dividend Warrants of the Bank are negotiable, and assignable by delivery.

India Stock is dealt in for money and the account, the settlements for which are made monthly. The Stamp Duty for Transfers is £1 10*s.*; a Power of Attorney costs £1 11*s.* 6*d.*, and the charge for brokerage is 2*s.* 6*d.* per cent. on the amount of Stock.

India Bonds.—The nature of these Bonds has been explained at page 29. In negotiating them in the market, the interest due at the time of sale is computed to that date, and added to the premium, if any; and, as in the case with Exchequer Bills, the total amount is paid: they are sometimes at a discount, and sometimes at par. The rate of interest upon them varies according to the state of the Money Market, and is payable half-yearly on the 31st of March and the 30th of September: it is at present (1857) 4 per cent. per annum. The East India Company receive them at *par* when six months' interest is due upon them. They are undoubted security for money, and they are transferable by delivery. The brokerage charged for negotiating them is 1*s.* per cent.

As the National Debt Office has certain regulations for the granting of annuities in connexion with the Government, a copy of them has been inserted in the following pages, in which all the principal details will be found.

* Bonds D, amounting to £2,000,000, were paid off on the 8th of May, 1857.

The National Debt Office.

The National Debt Office, situated in Old Jewry, Cheapside, though a branch of the Government Department of Finance, is not wholly devoted to the management of the Public Debt, but to the granting of annuities for lives, or for terms of years, payable out of the Consolidated Fund; the purchase of various stocks as investments for Savings' Banks; and the application of any surplus revenue to the reduction of the Public Debt. Tables are issued at the office, with information relative to purchasing annuities according to the 10 Geo. IV. c. 24, to which the following instructions are added:—

The Act 10 Geo. IV. c. 24, empowers the Commissioners for the Reduction of the National Debt to grant *Life Annuities, and Annuities to continue for a certain limited Term of Years*, such respective annuities to commence either *immediately* or at a *future period*, upon the transfer to the said Commissioners of any Bank Annuities, or any Long Annuities, as the consideration for the same.

Payments may also be made in money in lieu of transferring Stock.

No person can be appointed the nominee for any *Life Annuity* under the provisions of the said Act, who shall be under the age of fifteen years; nor can any annuity, *to continue for a term of years certain*, be purchased for a shorter period than ten years.

The said Act also authorizes the Commissioners to sell and grant generally any Immediate Annuities, or any Temporary Annuities, or any Deferred Annuities, (save and except that no Deferred Annuities can be granted under the provisions of the said Act for any certain limited term of years, to commence from and after the death of any nominee.)

In the case of *Deferred Life Annuities*, sums of money, amounting to £5 or upwards, may be paid by the purchaser annually, instead of paying the whole consideration at once; but it is enacted that, whenever it shall happen that any person or persons having made any one or more yearly payment or payments for or in respect of the purchase of any Deferred Annuity under the said Act, or their respective executors, administrators, successors, or assigns, shall make default in paying or continuing to make the residue of such annual payments, until the whole consideration for any such annuity shall be fully paid according to the agreement for the same, then and in every such case the amount of all annual payments which shall have been made previous to such default shall be forfeited for the benefit of the public, and all right and title to any annuity in respect thereof shall be extinguished.

Annuities granted under the said Act are made chargeable upon the Consolidated Fund, are payable half-yearly at the Bank of England, and may be received by power of attorney; they are also transferable, but *Life Annuities*

cannot be transferred in parts or shares, nor can the original nominee ever be changed.

Note.—Neither Bank Annuities, nor Long Annuities, nor Annuities for Terms of Years can be transferred *during their Shutting.*

If Bank Annuities, or Long Annuities, or Annuities for Terms of Years shall be transferred, or payment shall be made in money, between the 5th of Jan. *exclusive* and the 5th of April *inclusive*	The annuity, whether for Life or for a term of years, will become payable the 5th July and the 5th January in every year.
If between 5th April *exclusive* and 5th July *inclusive*	It will become payable Oct. 10 and April 5 in every year.
If between 5th July *exclusive* and 10th Oct. *inclusive*	It will become payable Jan. 5 and July 5 in every year.
If between 10th Oct. *exclusive* and 5th Jan. *inclusive*	It will become payable April 5 and Oct. 10 in every year.

TAKE NOTICE.—The 4th of April, the 4th of July, the 9th of October, and the 4th of January, are the last days in each quarter on which contracts can be entered into to enable the transfer of stock or payment in money, on the 5th of April, the 5th of July, the 10th of October, and the 5th of January, for the annuity to become payable as above stated. *If either of the last-mentioned quarter days should happen to fall on a Sunday, then the contract must be entered into on the 3rd of April, the 3rd of July, the 8th of October, and the 3rd of January.*

The Act directs that for the space of fourteen days next after any of the said quarterly days, no bargain or contract shall be made by or on behalf of the said Commissioners for the grant or purchase of any annuity under the said Act.

No sum less than £100 of stock (or money or Long Annuities equal in value to £100 of £3 per Cents.) can be transferred or paid *in the first instance:* but additions may be made to any annuity already purchased, by transferring an amount (not less than £20) of £3 per Cents. or of any stock carrying a higher rate of interest than £3 per cent., or Long Annuity, or money equivalent thereto.

Upon the death of any single nominee, or of the survivor of any two joint nominees in respect of any *Life Annuity*, or upon the death of either of the two joint nominees, in case the annuity shall have depended upon the *joint continuance* of the lives of two joint nominees, a sum equal to one-fourth part of the annuity depending upon the life of such single or surviving nominee, or such two joint nominees, (over and above all half-yearly arrears thereof respectively,) will be payable to the person or persons entitled to such annuity, or his, her, or their executors, administrators, or assigns, (as the case may be,) provided such last-mentioned payment shall be claimed within *two years* after such decease, but not otherwise; provided also that the fourth part of any expired Life Annuity, payable under the provisions of the said Act, will not be payable, nor be paid upon or in respect of any *Deferred Life Annuity*, unless one half-yearly payment of such Deferred Life Annuity shall have been actually paid or become due at the time of the decease of such nominee.

Persons having once produced the documents required by the Act may purchase a further annuity upon the life of the same nominee, without exhibiting any fresh certificate of age, &c.

If certificates or declarations containing false statements of the ages of nominees, with intent to obtain a higher rate of annuity than would be

obtained according to their true age, should be produced, all Bank Annuities, or Long Annuities, or money which may have been transferred or paid for the purchase of such annuities will be forfeited, and all right and title to any annuity which would or might otherwise have been payable in respect thereof will cease and determine; and the person on whose behalf such Bank Annuities, or Long Annuities, or money may have been transferred or paid, will forfeit treble the amount of any and every sum which may have been received on account of any such annuity, and also the further sum of £500.

Persons receiving annuities after the same ought to cease by virtue of the Act, (knowing the nominees to be dead,) will forfeit treble the amount of all money so received, and also the further sum of £500.

Persons convicted of forging, counterfeiting, or altering any register of birth or baptism, or any copy thereof, or any of the certificates, declarations, or other instruments required by the Act, or of personating any true and real nominee or nominees, will be adjudged guilty of felony.

Persons convicted of wilfully or corruptly swearing or affirming any matters or things which shall be untrue, will be subject to the penalties of perjury.

Tables and blank forms are delivered *gratis;* and for the accommodation of the public they will be transmitted to persons, on writing to the "*Secretary*," but all letters must be post-paid.

No charge is made at this Office, except in the instance of paying money, in which case the Act directs a charge of 2*s.* 6*d.* to be made upon the purchaser for every £100 of £3 per Cent. Stock which such money would purchase at the time of contract.

Annuities purchased under the provisions of the said Act are free from all taxes, charges, and impositions whatsoever, except such as dividends of Consolidated or Reduced Bank Annuities are or may be subject and liable to, and are to be deemed personal estate.

All documents relating to the purchase, transfer, or receipt of these annuities are exempt from the stamp duty.

National Debt Office,
Old Jewry.

CHAPTER VII.

SAVINGS' BANKS OF THE UNITED KINGDOM.

THE origin of Savings' Banks undoubtedly arose from feelings of benevolence and charity towards the poor: but as the increase of these institutions has long been connected with State Finances under the authority of the Legislature, it is here proposed to explain briefly their history, progress, and position. The Rev. Joseph Smith, of Wendover, in Buckinghamshire, has the merit of being amongst the first to encourage the savings of the industrious poor, in conjunction with some of his parishioners, in 1799, who offered to receive *twopence* every Sunday from any of the inhabitants of his parish during the summer season, when employment was generally more abundant than in winter; the money to be returned at Christmas with interest; or without interest before that time, should it be required. But in 1804, Mrs. Priscilla Wakefield, at Tottenham, Middlesex, introduced a plan on a wider basis, calling it the "*Charitable Bank*," conducting it at first by her own exertions, and on her own responsibility, but afterwards assisted by six gentlemen who acted as trustees, each receiving an equal portion of the deposits, allowing 5 per cent. per annum interest on all sums of 20*s*. and upwards, provided the money remained in their hands for twelve months; and as the deposits increased, new trustees were chosen. In 1808 a similar society was formed at Bath, where the savings of domestic servants were received, and interest allowed at 4 per cent. per annum. In process of time, the practice was followed in other places; and in 1817 the subject had become of such importance as to demand the attention of the Legislature, there being then seventy such institutions in England, four in Wales, and four in Ireland, principally originated by benevolent persons. The 59 Geo. III. c. 105, 130,

were the first Acts passed by Parliament for the encouragement of these banks; by which managers and trustees were prohibited from receiving any personal profit or gain from the funds over which they exercised control; and the rules of each bank were required to be enrolled at the Sessions in the district. A fund was established for the Reduction of the National Debt in London, denominated "*The Fund for the Banks for Savings*," to which trustees were bound to remit all deposits amounting to £50 or more, for which a debenture was given in return, bearing interest at the rate of 3*d.* per cent. per day, or £4 11*s.* 3*d.* per cent. per annum, payable half-yearly. Depositors in Ireland, were then restricted to the investment of £50 a-year; and in England also, with the exception that in the *first* year it might extend to £100. In 1824 deposits were restricted to £50 the first year, and to £30 in each subsequent year, until it amounted to £200, exclusive of interest; and depositors in one savings' bank were not allowed to make deposits in any other bank. In 1828, another Act was passed, 9 Geo. IV. c. 92, to consolidate and amend former Acts: by this Act the rules of every savings' bank had to be signed by two trustees, and submitted to a barrister appointed by the Commissioners for the Reduction of the National Debt, who was bound to certify that they were in conformity with the law. All such savings were to be invested only in the Bank of England or Ireland: the interest was also reduced from 3*d.* to 2½*d.* per cent. per day, or from £4 11*s.* 3*d.* to £3 16*s.* 0½*d.*; while the interest paid to *depositors* was not to exceed 2¼*d.* per cent. per day, or £3 8*s.* 5¼*d.* per annum, the difference, 7*s.* 7¼*d.*, being retained by trustees for expenses of management, &c. Trustees and managers, by the same Act, were released from all liability, except from default or wilful neglect. Trustees were not allowed to receive more than £30 from any single depositor in one year, nor above £150; and when deposits and interest on that sum had accumulated to £200, no further interest was allowed. In 1844, another Act was passed, reducing the rate of interest payable by Government from 2½*d.* per cent. per day to 2¼*d.* per cent., or £3 5*s.* per cent. per annum, and the interest payable to *depositors* to 2*d.* per cent. per day, or £3 0*s.* 10*d.* per cent. per annum, leaving the difference, 4*s.* 2*d.* per cent., for management, &c. Depositors by this Act were required to produce their books at the institu-

tion, at least, once a-year. By the 6th section a very imprudent laxity was introduced, by which trustees were exempt from liability; but if they desired to be so, they might fix the *extent of that liability.* In 1848, this clause was repealed with respect to Ireland; the numerous failures of banks in that country having amounted to £132,296, according to official returns, extending over a period of seven years from 1844. Legislation is still very defective upon this subject, and several attempts have been made to introduce a better system. The objections taken to the present mode of dealing with these funds are,—1. That they are not secure. 2. To render them so, Government must exercise over them greater control. 3. That they should be governed by one uniform system of management. *Security* to the depositor is the first great consideration: indeed, to him it is every thing; but the social economy of the subject is a public one, and, therefore, must be considered in a public view. The question which forces itself into notice in any alteration, is how to reconcile the existing state of things with a new plan. Will Government, in guaranteeing security to the depositors, claim to itself the *sole* right of management? Or will it accept any portion of the gratuitous services now rendered to these institutions? Before a decision can be given on this question, it is necessary to know something of their extent and organization. There is a general feeling of objection against the present mode of dealing with the monies of Savings' Banks through the *National Debt Office*, inasmuch as the practice necessarily leads to a deficiency under the most careful management; and on this point very strong opinions have been expressed to the Government.* The following statements have been compiled from the official returns to November 20th, 1855.†

* A Bill is now before Parliament, July, 1857, to place the control of all Savings' Banks in the hands of the National Debt Office.

† *Parl. P.* No 128, Session 1857.

SAVINGS' BANKS IN

COUNTIES.	Population in 1851.	No of Banks.	Total Amount owing to Depositors.			Total Amount Invested with Commissioners. †		
			£	s.	d.	£	s.	d.
ENGLAND.								
Bedfordshire	123,690	5	142,727	17	3	141,041	17	3
Berkshire	168,291	10	405,260	15	4	403,347	6	0
Bucks	163,892	6	147,772	13	1	146,338	16	5
Cambridgeshire	185,181	3	207,214	11	9	206,163	9	6
Chester	455,615	12	800,492	3	11	795,400	12	4
Cornwall	355,558	9	594,419	6	10	591,168	7	4
Cumberland	195,492	7	342,548	7	3	340,874	11	8
Derby	295,084	11	500,603	4	7	498,194	2	1
Devon	567,098	6	1,625,347	12	0	1,626,732	14	11
Dorset	184,207	10	461,887	8	9	459,103	15	3
Durham	390,854	12	324,085	16	8	321,418	7	6
Essex	369,298	15	508,701	18	9	504,593	15	4
Gloucester	458,160	15	969,157	16	6	962,871	3	8
Hereford	115,489	6	264,993	2	8	263,390	0	5
Herts	167,966	8	159,846	15	0	158,544	18	9
Huntingdon	64,454	1	65,706	16	4	64,869	11	2
Kent	615,766	23	1,047,625	11	6	1,036,702	13	11
Lancaster	2,031,346	30	3,021,225	19	9	3,016,969	2	3
Leicester	230,308	7	245,230	8	6	241,769	5	7
Lincoln	407,222	14	661,815	11	2	656,306	15	0
Middlesex	1,886,576	38	5,138,476	5	4	5,134,325	3	8
Monmouth	157,418	6	138,325	15	0	136,444	2	0
Norfolk	442,714	11	614,984	13	1	612,939	5	10
Northampton	212,382	4	291,569	3	0	289,448	13	9
Northumberland	303,507	7	722,477	17	0	721,665	15	7
Nottingham	270,653	6	529,078	12	4	526,520	9	4
Oxford	170,365	7	348,540	16	4	346,022	3	11
Rutland	22,983	No Banks.	.....			.....		
Salop *	229,341	12	663,198	0	1	658,985	12	5
Somerset	443,916	10	802,563	3	2	797,159	5	1
Southampton	405,245	13	579,372	10	6	574,620	1	1
Stafford	608,599	23	650,983	5	11	643,122	6	7
Suffolk	337,076	13	465,209	7	3	462,051	11	4
Surrey	683,076	20	873,075	0	6	868,123	6	4
Sussex	336,844	14	542,119	9	2	537,812	4	3
Warwick	475,013	8	736,083	6	3	732,393	18	10
Westmoreland	58,287	2	36,603	7	2	35,906	16	6
Wilts	254,801	11	461,797	13	4	460,116	14	9
Worcester	276,926	10	473,087	17	8	469,459	14	2
York, East Riding	220,983	4	686,126	18	7	684,645	13	3
York, North Riding	260,897	12	423,262	2	1	421,156	19	3
York, West Riding	1,315,787	20	1,617,205	15	5	1,607,113	19	2
TOTAL OF ENGLAND	16,609,860	461	29,290,804	16	9	29,155,835	3	5
WALES.								
Anglesey	57,327	1	65,833	13	7	65,189	15	2
Brecon	61,233	1	24,135	0	0	24,000	18	7
Cardigan	70,796	1	41,767	18	10	41,479	15	10
Carmarthen	110,632	3	51,900	4	8	48,860	0	3
Carnarvon	87,870	3	18,883	1	9	18,592	14	9
Denbigh	92,583	4	74,032	1	9	72,700	12	9
Flint	61,521	4	105,979	4	6	104,350	2	9
Glamorgan	231,849	5	220,502	3	2	218,568	1	6
Merioneth	38,843	2	38,078	4	6	37,890	11	7
Montgomery	67,447	2	75,164	9	7	74,428	2	9
Pembroke	91,140	2	126,506	12	9	125,004	5	4
Radnor	24,970	1	640	5	11	605	18	1
TOTAL WALES	999,198	29	843,423	0	10	831,670	19	4
TOTAL ENGLAND & WALES	17,609,058	490	30,134,227	17	7	29,987,506	2	9

* No return has been made by Ludlow Savings' Bank for 1852, 1853, 1854, and 1855, though repeated applications have been made.

† Exclusive of surplus fund in the hands of the National Debt Commissioners.

England and Wales.

Rate of Interest paid to Depositors.	Annual Expenses for Management.	Average Rate per cent. for Management.	No. of Unpaid Officers.	No. of Paid Officers.	Security given. By Unpaid Officers.	Security given. By Paid Officers.	Proportion of Deposits per Head on Population.
£ s. d.	£ s. d.	s. d.			£	£	£ s. d.
2 18 10	464 6 0	6 6	5	5	2,100	900	1 3 0
2 19 1	1,421 16 7	7 0	11	19	6,300	3,340	2 7 11
2 19 4	488 19 5	6 7	11	6	4,700	850	0 18 0
2 18 5	634 4 0	6 1	3	6	2,100	1,700	1 2 3
2 18 7	2,556 4 1	6 4	11	28	8,900	8,090	1 15 1
3 0 0	1,561 19 8	5 3	9	19	7,900	6,100	1 13 5
2 19 10	932 3 7	5 5	6	13	5,100	2,500	1 15 0
2 19 9	1,493 10 10	5 11	14	18	6,200	3,800	1 13 9
3 0 0	4,422 19 10	5 5	8	42	10,100	25,900	2 17 3
3 0 0	1,377 7 4	5 11	10	12	6,600	3,850	2 10 1
2 19 6	831 4 0	5 1	10	16	5,400	3,750	0 16 7
2 19 0	1,713 19 3	6 8	19	22	8,100	3,800	1 7 6
2 18 6	2,685 0 4	5 6	14	32	7,900	7,520	2 2 3
2 19 4	971 5 7	7 4	6	10	4,700	2,350	2 5 10
2 19 8	503 5 11	6 3	10	8	2,850	2,400	0 19 0
2 18 9	228 4 5	6 9	1	4	700	300	1 0 4
2 18 4	4,124 8 0	7 10	25	45	16,700	11,000	1 14 1
2 19 6	7,923 7 6	5 3	32	72	18,920	22,420	1 9 8
2 17 11	767 15 9	6 3	7	9	4,200	1,950	1 1 3
2 18 3	2,143 11 4	6 5	14	27	7,400	5,650	1 12 8
2 17 6	22,505 5 0	8 9	34	150	37,650	53,845	2 14 5
2 19 5	472 13 6	6 10	6	8	3,150	1,450	0 11 2
2 18 6	1,917 7 3	6 3	12	15	7,250	6,950	1 7 9
2 19 4	775 19 1	5 4	4	7	2,500	2,700	1 7 5
3 0 0	1,681 4 7	4 8	8	15	3,800	2,170	2 7 7
2 18 11	1,688 4 7	6 4	7	14	8,000	4,250	1 19 1
2 18 10	988 16 0	5 8	7	15	6,500	2,340	2 0 1
....	....	....	....	....	....	....	....
3 0 2	1,698 9 1	5 1	12	19	6,700	6,170	2 18 3
3 0 3	2,358 9 0	5 10	10	15	11,300	6,100	1 16 1
2 18 11	1,916 6 11	6 7	20	25	6,400	5,250	1 8 7
2 19 1	2,053 6 3	6 4	22	32	12,750	7,825	1 1 4
2 18 5	1,483 4 6	6 4	17	22	8,000	5,100	1 7 7
2 18 3	3,531 3 5	8 1	22	39	13,250	7,825	1 5 6
2 18 10	1,701 13 1	6 3	16	18	7,800	4,400	1 12 1
2 19 9	2,519 12 7	6 10	9	20	6,400	7,250	1 10 11
3 0 0	85 0 11	4 8	2	3	450	405	0 12 6
2 19 10	1,306 3 9	5 8	12	19	9,400	4,180	1 16 2
2 19 10	1,178 17 1	5 0	12	12	8,600	2,650	1 14 2
2 19 11	1,936 0 3	5 8	2	14	1,500	5,600	3 2 1
2 19 1	1,131 9 10	5 4	12	14	10,100	4,120	1 12 5
2 18 5	5,019 17 4	6 3	17	37	12,400	10,950	1 4 6
2 18 10 Average.	95,194 17 5	6 6 Average.	489	926	320,770	269,700	1 15 3* Average.
2 15 6	259 13 4	7 1	1	6	500	1,800	1 3 1
2 16 3	136 14 8	11 3	1	4	....	400	0 7 10
3 0 0	92 6 0	4 3	1	2	500	200	0 11 9
2 18 6	142 19 8	5 6	3	4	900	400	0 9 4
2 14 4	101 6 10	10 8	5	5	200	300	0 4 3
2 17 2	317 0 7	8 7	2	7	1,200	3,300	0 15 11
2 18 2	505 13 1	9 6	4	4	2,200	1,600	1 14 5
2 19 9	660 7 10	6 0	5	7	2,900	1,450	0 19 0
2 18 4	120 5 7	6 3	2	2	1,500	300	0 19 7
2 19 9	142 0 10	3 9	2	3	700	1,500	1 2 3
3 0 0	236 12 4	3 9	2	3	800	300	1 6 10
3 0 0	1 11 0	5 0	2	0	500	0	0 0 6
2 18 8	2,716 11 9	6 5	30	47	11,900	11,550	0 16 10
2 18 9	97,911 9 2	6 6	519	973	332,670	281,250	1 14 2* Average.

* This includes the population where there are no banks.

SAVINGS' BANKS IN SCOTLAND.

COUNTIES.	Population in 1851.	No. of Banks.	Total Amount owing to Depositors.	Total Amount Invested with Commissioners.*	Rate of Interest paid to Depositors.	Annual Expenses for Management.	Average Rate per cent. for Management.	No. of Unpaid Officers.	No. of Paid Officers.	Security given. By Unpaid Officers.	Security given. By Paid Officers.	Proportion of Deposits per Head on Population.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.			£	£	£ s. d.
Aberdeen	212,032	7	204,936 3 9	203,374 17 6	2 19 7	508 7 2	4 11	6	13	1,600	2,850	0 19 3
Argyll	89,298	1	3,949 10 11	3,808 6 3	2 15 0	21 9 5	10 10	1	1	300	50	0 0 10
Ayr	189,858	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Banff	54,171	2	15,314 11 0	14,766 6 7	2 17 9	60 5 0	7 10	2	2	500	350	0 5 7
Berwick	36,297	1	3,062 13 0	3,028 0 8	2 18 4	10 4 11	6 8	1	2	100	50	0 1 8
Bute	16,608	1	12,747 4 4	12,337 2 10	2 15 0	64 5 9	10 1	1	1	300	200	0 15 3
Caithness	38,709	2	17,377 4 8	16,860 3 4	2 15 0	87 7 2	10 0	2	2	800	500	0 8 11
Clackmannan	32,571	1	2,302 19 9	2,238 16 8	3 0 0	16 16 7	14 7	2	0	100	....	0 1 4
Dumbarton	45,103	2	6,858 3 11	6,451 18 1	2 14 1	21 11 9	6 3	2	2	250	350	0 3 0
Dumfries	78,123	1	9,236 3 5	9,144 18 4	2 15 0	57 1 8	12 4	0	4	....	750	0 2 4
Edinburgh	259,435	3	473,536 16 2	474,933 17 1	2 17 8	1,627 4 10	6 10	2	13	1,500	7,850	1 16 6
Elgin	38,959	2	36,230 2 10	36,072 1 3	2 17 0	146 15 3	8 1	2	12	1,500	1,750	0 18 7
Fife	153,546	4	86,149 3 11	84,974 15 1	2 15 4	313 12 1	7 3	5	6	2,250	1,550	0 11 2
Forfar	191,264	4	111,339 11 0	110,107 15 8	2 11 8	568 16 6	10 2	5	3	950	1,450	0 11 7
Haddington	36,386	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Inverness	96,500	2	26,085 3 0	25,072 11 3	3 7 6	92 17 1	7 1	4	6	250	850	0 5 4
Kincardine	34,598	2	35,526 1 6	35,112 9 10	2 19 1	98 14 7	5 7	2	2	600	600	1 0 6
Kinross	8,924	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Kircudbright	43,121	1	5,364 7 10	5,343 1 11	2 15 0	28 15 7	10 8	1	2	100	100	0 2 5
Lanark	530,169	1	656,998 17 4	650,375 18 9	3 0 0	2,006 7 5	6 1	1	13	2,000	6,100	1 4 9
Linlithgow	30,135	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Nairn	9,956	1	4,341 8 2	4,100 16 0	2 15 0	22 10 9	10 0	1	1	200	200	0 8 8
Orkney & Shetland	62,533	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Peebles	10,738	Ditto.	.....	.....	....	....	....	....	....	....	....	....
Perth	132,244	1	155,343 12 5	153,851 15 11	3 0 0	432 3 7	5 6	1	3	500	2,400	1 3 5
Renfrew	161,091	1	58,559 5 11	58,806 6 7	2 15 0	286 16 5	10 0	1	1	1,000	500	0 7 3
Ross and Cromarty	82,707	1	5,628 15 0	5,311 18 1	2 15 0	25 0 0	8 10	3	0	1,000	....	0 1 4
Roxburgh	51,642	2	37,536 18 9	37,044 14 0	2 18 4	121 9 3	6 6	2	2	600	600	0 14 6
Selkirk	9,809	1	7,112 5 5	6,907 6 7	2 10 0	38 4 11	10 9	0	2	....	200	0 14 6
Stirling	83,033	3	38,137 12 9	37,515 13 1	2 15 1	170 7 9	8 11	2	3	800	900	0 9 2
Sutherland	25,793	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Wigton	43,389	Ditto.	.....	.....	....	....	....	....	....	....	....	....
TOTAL	2,888,742	47	2,014,114 17 5	1,997,601 11 4	2 17 9 Average.	6,827 5 5	6 9 Average.	49	96	17,200	30,150	0 13 11† Average.

* Exclusive of surplus fund in the hands of the National Debt Commissioners.

† This includes the population where there are no banks.

SAVINGS' BANKS IN IRELAND.

COUNTIES	Population in 1851.	No. of Banks.	Total Amount owing to Depositors.	Total Amount Invested with Commissioners.*	Rate of Interest paid to Depositors.	Annual Expenses for Management.	Average Rate per cent. for Management.	No. of Unpaid Officers.	No. of Paid Officers.	Security given. By Unpaid Officers.	Security given. By Paid Officers.	Proportion of Deposits per Head on Population.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.			£	£	£ s. d.
Antrim	358,503	3	134,302 0 8	133,290 10 6	2 18 0	584 14 7	8 8	4	6	500	3,450	0 7 5
Armagh	196,420	1	69,559 5 1	69,794 16 0	2 18 6	209 10 11	6 0	1	2	1,000	1,200	0 7 1
Carlow	68,157	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Cavan	174,303	1	12,622 11 5	12,550 2 9	2 15 6	44 0 0	9 5	1	2	100	50	0 1 5
Clare	212,720	1	25,298 4 10	24,469 13 2	2 15 6	88 7 9	7 0	1	2	500	100	0 2 4
Cork	637,637	3	345,320 5 8	342,242 6 2	2 16 11	1,445 9 11	8 4	0	14	....	7,900	0 10 9
Donegal	254,288	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Down	317,778	3	63,708 7 0	63,805 5 6	2 16 11	284 13 10	8 10	3	6	500	1,100	0 4 0
Dublin	402,356	2	226,249 2 7	224,575 17 11	2 15 0	1,402 10 2	12 5	1	6	100	5,020	0 11 2
Fermanagh	115,978	1	59,122 18 6	59,073 8 11	3 0 0	169 1 9	5 8	0	3	....	600	0 10 2
Galway	322,826	1	2,275 3 4	1,952 6 4	2 15 6	19 8 4	16 2	1	2	....	300	0 0 1
Kerry	238,241	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Kildare	96,627	1	16,397 18 0	16,313 19 4	3 0 10	6 9 4	0 10	2	2	100	50	0 3 4
Kilkenny	160,217	1	15,964 18 9	15,851 8 3	2 10 0	134 2 7	16 8	1	5	500	1,100	0 1 11
King's County	112,875	2	34,741 15 6	34,186 19 2	2 16 3	168 17 5	9 8	4	2	300	150	0 6 1
Leitrim	111,808	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Limerick	256,887	1	101,532 11 11	102,170 0 7	2 17 0	474 8 8	9 3	0	6	....	2,300	0 7 10
Londonderry	191,744	4	76,657 17 4	76,170 6 0	2 18 0	231 12 9	6 0	4	8	500	700	0 7 11
Longford	83,198	No Banks.	.....	.....	....	....	....	....	....	....	....	....
Louth	107,921	3	69,393 13 0	68,293 2 0	2 17 8	315 15 7	9 2	2	7	500	1,300	0 12 10
Mayo	274,716	1	14,123 15 2	14,057 12 6	3 0 0	50 12 0	7 2	1	1	500	300	0 10 0
Meath	139,706	2	26,089 1 8	25,810 12 4	2 15 1	124 9 7	9 5	2	6	400	1,300	0 3 9
Monaghan	143,410	1	18,093 1 5	17,843 19 2	2 15 6	115 8 9	12 4	1	3	500	900	0 2 6
Queen's County	109,747	3	28,210 9 11	27,397 1 3	2 15 3	149 18 9	10 8	3	6	700	1,200	0 5 1
Roscommon	173,798	1	30,287 17 4	30,229 13 0	2 15 6	145 1 0	9 6	1	3	300	300	0 3 5
Sligo	128,769	1	18,341 13 7	17,245 0 10	2 18 6	98 10 0	10 8	0	2	....	600	0 2 7
Tipperary	323,829	4	60,275 18 2	59,252 18 6	2 13 6	385 2 6	12 9	4	9	300	2,400	0 3 9
Tyrone	251,865	4	45,617 5 3	44,932 6 4	2 18 4	186 17 11	8 2	6	7	1,000	1,030	0 3 7
Waterford	162,503	1	64,245 17 11	63,484 5 4	2 15 6	372 11 6	11 7	1	6	....	1,150	0 7 5
Westmeath	107,510	1	14,490 9 6	14,120 1 4	2 17 1	100 17 0	7 10	2	4	500	100	0 2 8
Wexford	180,170	2	23,314 8 11	22,745 19 7	2 10 5	239 4 7	20 9	2	3	300	800	0 2 6
Wicklow	99,287	3	19,889 10 10	19,252 6 4	2 15 8	107 8 3	10 9	2	7	400	300	0 4 2
TOTAL	6,515,794	52	1,616,126 3 3	1,601,111 19 1	2 16 5 Average.	7,655 5 5	9 5 Average.	50	130	9,500	35,700	0 4 11† Average.

* Exclusive of surplus fund in the hands of the National Debt Commissioners.

† This includes the population where there are no banks.

Savings' Banks—Summary of the United Kingdom.

	Population in 1851.	No. of Banks.	Total Amount owing to Depositors.	Total Amount Invested with Commissioners.	Rate of Interest paid to Depositors.	Annual Expenses for Management.	Average Rate per cent. for Management.	No. of Unpaid Officers.	No. of Paid Officers.	Security given. By Unpaid Officers.	Security given. By Paid Officers.	Proportion of Deposits per Head on Population.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.			£	£	£ s. d.
England and Wales	17,609,058	490	30,134,227 17 7	29,987,506 2 9	2 18 9	97,911 9 2	6 6	519	973	332,670	281,250	1 14 2
Scotland	2,888,742	47	2,014,114 17 5	1,997,601 11 4	2 17 9	6,827 5 5	6 9	49	96	17,200	30,150	0 13 11
Ireland	6,515,794	52	1,616,126 3 3	1,601,111 19 1	2 16 5	7,655 5 5	9 5	50	130	9,500	35,700	0 4 11
Guernsey	33,645	1	171,675 6 9	170,470 15 9	3 0 0	457 5 0	5 6	1	1	400	200	5 2 0
Jersey	57,155	1	199,381 4 7	199,414 11 4		572 10 7		1	3	1,000	1,100	3 9 9
Total	27,104,394	591	34,135,525 9 7	33,956,105 0 3	2 18 8 Average.	113,423 15 7	6 7 Average.	620	1,203	360,770	348,400	1 5 2 Average.

The above tables, though in a condensed form, afford ample materials for those disposed to remodel these institutions. From a very simple origin, they may almost be said now to cover the land. In England, only one county, that of Rutland, is without a Savings' Bank, though numbering a population of 22,983 persons. In Scotland, the counties of Ayr, Haddington, Orkney and Shetland, Peebles, Sutherland, and Wigtown, with an aggregate population of 407,756, have not a Savings' Bank. Ireland has five counties with an aggregate population of 762,692, without any Savings' Bank: these are Carlow, Donegal, Kerry, Leitrim, and Longford. The isles of Guernsey and Jersey have each but one Savings' Bank, to an united population of 90,800. Such was the extent of these institutions in the United Kingdom, in November, 1855. It may be inferred from the above facts, however, that they exhibit a very important feature in the social economy of the State. The total amount due to depositors amounted to £34,135,525 9*s.* 7*d.*; and of this sum no less than £33,956,105 was in the hands of Government, leaving only a small portion in the hands of those who undertake the management of these funds, for which securities are given to the amount of £360,770 by *unpaid* officers, and £348,400 by *paid* officers, who conduct them. The following statement shows the number of depositors to the same date, with the amount of deposits and *interest* held on account of Savings' Banks, Friendly Societies, and Charitable Institutions:—

	No. of Deposits.	Amount of Deposits and Interest.
Not exceeding £ 1	180,110	£ 52,718
" " 5	249,876	634,140
" " 10	168,638	1,179,051
" " 15	122,787	1,469,125
" " 20	75,501	1,294,857
" " 30	130,154	3,118,016
" " 40	105,614	3,534,363
" " 50	51,459	2,283,370
" " 75	86,229	5,237,504
" " 100	41,285	3,577,803
" " 125	27,076	3,002,668
" " 150	16,508	2,249,451
" " 200	25,200	4,284,496
Exceeding..... 200	1,489	331,082
Total Individual Depositors	1,281,926	£32,248,644
Charitable Institutions	14,148	677,238
Friendly Societies	8,759	1,337,253
Total.....	1,304,833	£34,263,135

There are 591 banks to which this large sum of money is owing, managed by 620 *unpaid* officers, who give security as mentioned above, and 1,203 *paid* officers. When, therefore, the amount of defalcations is compared with the total sum under management they are found to amount to about 1-258th part of the entire capital.

There is, however, another point to which public attention has been called with regard to these funds, which is their appropriation by the National Debt Commissioners, by which a large deficiency is shown: and it is objected that these funds ought not to be devoted to any speculative transactions by the Government as at present, but to be so invested as to give a *greater*, rather than a *less valuable* security. As a Bill is now before the Legislature (May, 1857) to consider the best means for regulating these institutions, this part of the subject is one of great importance.

It appears by the same official return that the total amount of principal and interest received by the National Debt Commissioners to the same date, amounted to £68,253,010, on account of Savings' Banks, and to £4,435,485 on account of Friendly Societies; making the total £76,689,404; of this amount £33,843,225 have been repaid on account of Savings' Banks, and £2,395,138 on account of Friendly Societies; making a total of £36,238,863; leaving a balance due to Savings' Bank Trustees of £34,410,694, and to Friendly Societies £2,040,346; or a total of £36,451,041, against which the following securities were held on the 20th of November, 1855:—

	Value. £	s.	d.
Consolidated Three per Cents. at 88⅝	6,389,215	11	7
Reduced Three per Cents. at 87⅝	3,096,382	2	3
New Three per Cents. at 88⅛	15,833,437	12	0
New Two-and-a-Half per Cents. at 72	22,968	0	0
New Three per Cents., Ireland at 88⅛	909,087	10	5
Exchequer Bills	3,121,000	0	0
Exchequer Bonds	1,765,000	0	0
Total....	31,137,090	16	3
Liabilities	36,451,041	0	5
	5,313,950	4	2
Deduct balance uninvested	112,491	15	11
Deficiency	5,201,458	8	3

It also appears by a comparison with the value in the previous year that the above securities had depreciated to the amount of £3,522,363 12*s.* 5*d.* These changes are doubtless unavoidable under the present system, and might, under some unexpected calamity, place the Government in great difficulties; it is, therefore, a very important point for consideration whether the funds set apart to represent Savings' Banks deposits ought not to be wholly beyond the power of speculative influences, such as are at present practised.

This is a question that requires to be touched with a very delicate power; and any hasty legislation upon it might endanger the whole system. Various arguments have been adduced to show why these institutions have not made greater progress; but doubtless there are many causes of a local nature by which some of them are influenced: while, in large cities and populous towns, there are other circumstances that operate for or against their increase: but these must be left to the consideration of each locality. The return to which we have referred is full of details upon the whole bearings of the subject.

The following statement shews the amounts received and paid by the National Debt Commissioners, during the last seven years, and the capital sums due in each year:—

	Received.	Paid.	Capital Sums due.
	£	£	£
1850	6,363,690	6,760,328	28,930,982
1851	6,782,059	6,305,566	30,277,654
1852	7,281,177	6,684,906	31,754,261
1853	7,653,520	7,116,330	33,362,260
1854	7,400,141	7,956,347	33,736,080
1855	7,188,211	7,654,133	34,263,135
1856	7,741,453	8,023,583	34,932,471
Totals.....	50,410,251	50,501,193	

A Parliamentary return* has since been issued, shewing the Deficiency on account of Savings' Banks and Friendly Societies in the hands of Government to be £4,125,038 14*s.* 11*d.* 20th of November, 1856, and the total amount due for the United Kingdom £37,071,921 2*s.* 8*d.*

* *Parl. P.* No. 84, Session 2, 1857.

CHAPTER VIII.

FOREIGN BANKS AND BANKING.

Banking establishments have now become so general throughout the whole civilized world, and the means of rapid communication by telegraph and by railway have become so extended, that there is a kind of community of interest existing amongst the various establishments connected with banking operations in almost every country, which renders it desirable that merchants and financiers should have some knowledge of the different monetary and banking systems of foreign nations. The present chapter has, therefore, been devoted to the banking laws of some of the principal foreign States, and arranged in alphabetical order.

AMSTERDAM.

(*The Bank of Netherlands.*)

In 1609 a bank of deposit and transfer was established at Amsterdam at the time a truce had been concluded for twelve years with Spain; and, as it was generally believed that it would be followed by a lasting peace, it tended to stimulate the spirit of enterprise and speculation. During the preceding war millions of the so-called Spanish ducats (coined in Spain from the American silver) had flown into Holland; and, strange to say, this coin of the enemy became the capital and treasury coin of the new establishment. These ducats, which circulated at the value of 63 stivers, were computed in the bank accounts at 60 stivers to simplify the calculation. As the ducat was taken and given at the same rate, there was in principle no depreciation of the coin: but as the bank valuation was different from that in daily intercourse, bills payable in ducats stood naturally 5 per cent. higher in the latter than in the former; which led to the belief that the *credit* of the bank was at a premium of 5 per cent. Other coins and gold were received at the bank in similar proportions, the latter being weighed and computed in their silver value. All sums deposited were received according to their intrinsic value of the mark troy at 24 florins 2 stivers (40*s.* 3*d.*), and returned to the depositor by his paying a commission of $\frac{1}{4}$ per cent. These receipts were transferable, and

circulated like bank notes. The credit of the bank hardly knew any limits, it being known that it had never suspended payments, even in the most critical moments of war and invasion; neither was there any reason to apprehend a failure of the bank, since it was strictly a bank of deposit, indulging in no speculation on its own account, and running no other risk than that of being plundered by the enemy; no wonder, therefore, that the world was greatly surprised at a resolution of the bank on the 13th of November, 1790, in which it was announced that henceforth the fine mark troy would be valued at 26 florins 15 stivers (44*s.* 10*d.*) and the value of silver fixed every month; that no one should be allowed to draw silver from the bank whose balance was less than 2,500 florins; and further, that the maximum sum to be drawn from the bank in one day by any depositor should not exceed 50,000 florins, however large his dealings might be in the bank. By fixing an arbitrary value on silver every month, it was in the power of the bank to diminish or increase every moment the individual property of its depositors and creditors. No one knew how to account for this strange regulation, until four years afterwards, in 1794, on the occasion of the French invasion, when a deficit of 10,000,000 florins (£1,666,667) was discovered in the balance sheet, a sum which the bank had lent to Government and the Dutch East India Company. As might be expected, the credit of the bank broke under the revelation of these facts, and the consequence was that the bank ceased to exist in 1795.

The present *Bank of Netherlands* was founded in 1814, as a deposit and loan establishment, with a capital of 5,000,000 florins (£416,666). Its present statutes date from 21st August, 1838, which determined:—

1. That no other bank should be chartered until the 31st of March, 1864.

2. That the bank capital, amounting, in 1819, to 10,000,000 florins (£823,332), in 10,000 shares, should remain in *statu quo.* But by a special law of 7th April, 1840, it was increased to 15,000,000 florins (£1,250,000).

3. That Government was to take 1,000 shares. By a law of 31st March, 1847, Government disposed of them.

4. The increase of the bank capital can only be done with the consent of Government, and, when obtained, the old shareholders have, during one month, the preference in the purchase of the new scrip.

5. Shares are not taken as security for loans.

6. The bank discount bills bearing at least two solvent signatures.

7. Advances money on gold, silver, raw materials, and colonial produce.

8. Opens current accounts with solvent merchants; but is prohibited from giving credit in blank (without security).

The bank is not allowed to deal or participate in the speculation of goods, lands, and other mercantile enterprizes, but may, however, deal in the precious metals; nor is it prohibited from buying goods pledged to it, in case the offer by public auction is not sufficient to cover the demand. It may also purchase inland stocks (not above par) and bank shares from the reserve fund.

The bank cannot lend money on *immoveable* property, ships, or foreign stocks, not guaranteed by their respective Governments.

The bank has the charge of the Mint, and its bank notes are of 25, 40, 60,

80 ,100, 200, 300, 500, and 1,000 florins each, or 41*s.* 8*d.*, 60*s.* 8*d.*, 100*s.*, £6 13*s.* 4*d.*, £8 6*s.* 8*d.*, and £16 13*s.* 4*d.* sterling. The amount of the bank notes is never to exceed that of the capital, and is from time to time fixed by Government. The bank is managed by a Board of six Directors, *i.e.* a President and five Directors, who are to reside permanently at Amsterdam; and who are only now and then, by consent of Government, permitted to leave the place. The whole board, including the Secretary, enjoy certain emoluments. No one can be elected Director who has not shares for 15,000 florins inserted in his name at the bank, and of which he cannot dispose during his tenure of office. Every year one of the five Directors leaves office. The President, as well as the Secretaries, are chosen and appointed by the King. Ten Directors are annually proposed and elected, five of whom Government chooses and confirms. All the shareholders are represented by a committee of 50 of the largest shareholders ; and they elect from their own circle 6 Commissioners, who must usually possess, during six months before their appointment, 8,000 florins in bank shares. Every year two of the Commissioners quit office. The Commissioners are the authorities who examine the annual balance sheet, and fix the rate of dividend.

The annual reports are not published; but once in every month are inserted in the Gazette, by a decree of the 9th of June, 1852, the amount of bank notes in circulation, the balances of the current accounts, and the amount of bullion in the vaults. The reserve fund is 2,500,000 florins (£208,333).

During the last few years the amount of bullion has largely increased. In 1840 it amounted to about 22,497,000 florins; and in 1852 it was upwards of 95,000,000 florins: and the notes in circulation increased, during the same period, from 23,772,000 florins, to 75,606,000 florins; and the balances of current accounts increased from 14,688,000 florins to 30,294,000 florins.*

AUSTRIA.

The National Privileged Bank.—This Bank was founded in 1816, to remedy the evils of the monetary system of Austria. The principal objects were to abandon the system of a forced paper currency ; to retire a part of its paper money by a sinking fund; and to restore a circulation of silver, coined on the basis of a monetary convention; to establish a bank by a private company divided into shares, and accord to it the sole privilege of issuing bank notes, payable at all times on demand, according to the state of the exchange: the Bank to manage the sinking fund for retaining the paper money on account of the Government. This arrangement was sanctioned by two decrees. The mode of operating upon the paper money was by exchanging it in part against bonds that could always be realized, and the other part against obligations of the State, bearing interest; also by accepting the paper money as a deposit upon the shares of the new Bank. The holders of paper money were to receive *two-sevenths* in the notes of the Bank, and *five-sevenths* of obligations of the State, bearing interest at 1 per cent. per annum. In addition to the funds supplied by the State, the capital of the Bank was composed of 50,000

* The *florin* is equal to about 1*s.* 8*d.* English.

shares of 2,000 florins * in paper, and 200 florins of convention in silver. The Bank received, in the first instance, State obligations for the total amount of paper money to be redeemed, bearing interest at 2½ per cent. By a decree of the 17th July, 1817, the number of shares was fixed at 100,000, of 1,000 florins each in paper, and 100 florins of convention in silver, and established a plan for redeeming the paper money in thirty-six years. The whole scheme, however, soon exhibited a complete failure, for in November, 1817, the sinking fund was broken up. In the same year the Bank commenced operations in discounts, and in 1818 the constitution of the Bank was definitively arranged. In 1819, the Bank agreed to pay towards the general sinking fund of the State 2,000,000 florins, for which the State transferred to the Bank the sums due from the holders of State property, with a provision of 1 per cent. In 1818, the Bank charged itself with redeeming the paper money then in circulation, amounting to about 449,715,000 florins, at the rate of 250 florins in paper for 100 florins in silver: and the State paid at the time 23,232,000 florins in discharge of its obligations at 2½ per cent., or about half the nominal value. The Bank has been so mixed up with the affairs of the State for a number of years that its bullion resources have frequently been brought to a very low ebb. By a decree of the 22nd of May, 1848, the Bank was allowed to suspend specie payments, and its notes were made a legal tender; all discretionary power to exchange coin for the notes was left to the Bank; and it was permitted to issue as low as 1 and 2 florins each. The debt of the State due to the Bank in notes, December, 1849, amounted to 96,948,000 florins, on which 2 per cent. interest was paid under a condition that the capital should be gradually liquidated. But the Bank seems to have prospered in proportion to the difficulties of the State: for, from 1848 to 1852, no less than 10,000,000 florins were distributed in dividends, or about £1,000,000 sterling, while the circulation of its notes increased from 187,375,000 florins in 1848, to 255,367,000 at the close of 1850. In 1853 the circulation of notes was reduced to 186,394,000 florins, or £18,639,400.

The statutes by which the Bank is governed date from 1841: the following is a summary of the principal features:—

1. The Bank makes all payments in silver florins 20=1 Mark Cologne.

2. The usual dividend ranges from 70 to 80 florins on each share of 1,000 florins annually, and is paid half-yearly: when it exceeds 30 florins per share half-yearly the Committee decide the amount to be placed to the reserve fund.

3. The Bank discounts bills drawn on Vienna merchants or itself.

4. The notes of the Bank are accepted as *legal tender* in all public offices, both in payments and receipts: and in private transactions it is enforced by law; and they are payable in silver at their full nominal value.

5. The Directors of the Bank fix, from time to time, the proportion between the issue of notes and the stock of bullion in their possession.

6. All sorts of valuable property, gold and silver, and documents of private individuals, are deposited in the Bank on payment of a commission.

7. Money is advanced upon gold and silver, land, stocks, &c., at the *maximum* rate of interest, 6 per cent.

8. The Bank is not allowed to raise the rate of interest beyond 6 per cent. without the consent of the Government.

* The florin is equal to about 2*s*. English.

9. Drafts are issued on all provincial branches to any amount required by parties in Vienna: but only local bills are discounted, viz., bills made payable at the seat of the Bank in the currency of the country: the amount must not be for less than 300 florins, and the date of maturity not to exceed ninety-five days: each bill must bear *three* signatures, one of which must be that of a *registered* merchant, or a licensed manufacturer. Bills having only *two* signatures are only discounted by depositing collateral security to half the amount in value. On the day a bill becomes due, payment must not be made later than 12 o'clock, and prolongation or renewal of a bill must be effected 15 days before it becomes due.

10. Any change made in the rate of discount is made known by public advertisement in the *Vienna Gazette*, and announced at the Exchange.

11. Advances are made on gold and silver coin or ware to the extent of 95 per cent. of its intrinsic value; but only in round numbers divisible by 100. The lowest amount advanced on gold and silver coin, or stock, is 500 florins: the shortest date for granting loans is 15 days, and the longest 90 days.

The Bank proprietors are represented by a Committee, the members of which must be Austrian subjects, and possessing a certain number of shares in their own right: the number of the Committee is 100, who meet annually at Vienna, in January, presided over by the Governor. The management is vested in a Governor and Deputy-Governor appointed by Government, and 12 Directors proposed by the Committee and named by the State. The Deputy-Governor must possess, in his own right, 12 shares, and a Director 6 shares; they are appointed for three years. At the annual meeting of the Committee the accounts of the previous year are audited, and new regulations proposed by the Directors are discussed, which, if approved, are submitted to Government, and after due examination the accounts are published.

An Imperial Commissioner assists at the meetings of the Committee and of the Directors, who is entitled to a vote in all the deliberations, to examine the accounts, and to make any enquiries he may think necessary: and he is particularly charged with the duty of seeing that the bullion in the Bank and the notes in circulation are strictly conformable to the statutes. And in case any cause of complaint should be found to exist, he is bound to lodge a protest in writing against the execution of such measure, and insist upon a communication being opened with the administrative authorities.

A second Commissioner is also appointed to supervise the Loan and Discount department: and where any doubts exist upon any particular operations of the Bank, he communicates the same to the Imperial Commissioner, who confers with the Directors, as a final resort. All changes requiring Imperial consideration have to be made through the Treasury.

The Bank is empowered to establish branches in any part of the Empire. *

A very good regulation prevails with regard to the *employés* of the Bank. All the officers and clerks are paid monthly in advance: those whose salaries amount to 500 florins or more a year, are obliged to deposit as security an equal amount of Austrian Stock.

No deposits are received for a less period than a fortnight, on which a commission must be paid in advance: and for those of no fixed date, for the whole year. No private attachment can be made on deposits without the

* The places where branches have been established are as follow:—Prague, Brunn, Pesth, Trieste, Lamburgh, Gratz, Chemnitz, Troppau, Kramstadt, Klagenfurt, Cracow, Laibach, Fiume, Debreczin, Temesvar, and Reichenberg.

consent of the owner, except by judicial warrants: and no deposits can be withdrawn in part.

By the balance sheet of the Bank, to December 31st, 1856, the amount of notes in circulation is given at 152,000,000 florins, and the specie at 87,240,610 florins. The total liabilities amounted to 500,245,033 florins, or about £50,245,000 sterling.

Credit Bank of Austria.—This Bank was instituted in October, 1855, at Vienna, by S. M. Rothschild, L. Læmel, Prince Schwarzenburg, M. E. Furstenburg, V. C. Auersperg, Le Comte O. Chotek, and L. de Haber, with a capital of 100,000,000 florins, divided into 500,000 shares of 200 florins each, of which 300,000 have been issued: the deposits paid on the issue of the shares was 60 florins; the remainder to be called up in 1856, and the first six months of 1857. The following are the principal regulations of the Bank:—

1. To make advances upon Austrian public securities, mortgages, and shares and obligations of Austrian enterprises, also upon raw materials and merchandize.
2. To grant loans to the Austrian Government on the private domains of the Crown.
3. To conduct in the interior of the country industrial enterprises in which the Bank can participate; and to assist societies already existing by shares, and to issue shares and obligations, and to assist all societies of a similar nature.
4. To sell, purchase, and exchange against other values, all kinds of public and industrial Austrian securities.
5. To receive in deposits, securities, and money.
6. To undertake the payment of *coupons* of interest and dividends, and also to pay and collect money for third parties.
7. To receive monies in account current, and to issue obligations of the Bank equal to the amount of public and private securities in their possession, payable at least *one year* after date, but the sum total of these obligations must always be convertible into private and public securities held by the Bank; and the Bank cannot purchase them nor exchange them against shares issued for the formation of its capital.
8. The Bank cannot purchase or exchange its own shares against such securities.

A general meeting is held once a year, in *March.* Proprietors of 20 shares are entitled to one vote; of 50 shares to two votes; of 100 shares to three votes; of 200 shares to four votes; of 500 shares to five votes, and above that number one vote for every 200 shares; but no proprietor can have more than ten votes. The accounts are made out to the 31st of December in each year. After payment of 5 per cent. per annum on the sums deposited, the remainder of the net profit is to be placed to the reserve fund, which must not exceed *one-fifth* part of the capital issue: the remainder to be divided as follows:—To the Directors, 10 per cent.; to the officers and clerks, 10 per cent.; and to the shareholders, 80 per cent., in the form of a dividend, payable on the 1st of July in each year. The interests are payable half-yearly, on the 1st of January and the 1st of July, in each year.

The Commercial Bank of Hungary, at Pesth.—This Bank was established in 1842 for the term of twenty-five years, and was the first bank of the kind established in Hungary. The capital consists of 200,000 florins, divided into 4,000 shares of 500 florins each, of which only 2,000 have been issued; but

this has been sufficient to conduct the operations of the Bank, as the deposits after the first few years enabled it to realize large profits: these deposits which, in 1844, amounted only to 351,801 florins, amounted in 1847 to 1,989,400 florins, and the gross profits had increased from 44,384 florins to 183,222 florins in 1848. The net profits have gradually increased from 29,000 florins to upwards of 60,000 florins a year. Merchants who had formerly conducted their business with the Bank of Vienna availed themselves of its advantages and success. The Revolution of 1848 operated unfavourably upon a bank so recently established, and the reserve fund was greatly diminished by losses in 1849. At this time the Bank had the control of the issue of notes of 1 and 2 florins, for which it received only a very small rate of interest, by which the Bank lost considerably: the financial crisis also caused nearly the whole of the deposits to be withdrawn; and, under such circumstances, it could neither issue any of the remaining 2,000 shares, nor sell the public securities in its possession. Notwithstanding these difficulties the credit of the Bank was maintained, and the guaranteed dividend of 5 per cent. continued to be paid. Since then the bank has recovered its position. Its operations consist of discounting commercial paper, receiving deposits, transfers, and granting loans. The shares are nominative, and each forms a proportional part of the assets of the Bank, and bear interest at the rate of 5 per cent. per annum, payable half-yearly at the rate of 12 florins 30 kreutzers, and possesses a title or dividend from one-half of the net profits, after the payment of the 5 per cent. dividend; the other half is placed to the reserve. For several years the Bank only distributed a dividend of 5 per cent., desiring to strengthen the amount of its reserve. The shares can only be transferred by endorsement, which must be inscribed in the books of the Bank.

Discount Company of Lower Austria.—This company was instituted at Vienna in 1853, with a proposed capital of 10,000,000 florins, divided into 20,000 shares of 500 florins each, of which 10,000,000 have been issued. The shareholders are entitled to 4 per cent. interest, and 80 per cent. upon the excess of the net profits; they have also the right to open credits with the Company, under certain guarantees agreed to by the Council of Administration The principal operations of the Company are:—

1. To discount bills of exchange which have not more than six months to run, which, as well as the guarantee of the bearer of the credit, must be protected by, at least, one solvent signature.

2. Also discounts drafts not having more than four months to run, drawn by the Company upon the bearer of the credit and guaranteed by a deposit of merchandize.

3. Discounts promissory notes, not having more than four months to run, and not exceeding *one-fourth* part of the credit fixed for this member; no other guarantee in this case is needed.

4. Negotiates public securities payable at three months.

5. Receives money in account current to bearers of credit or from third parties, under conditions which are regulated by the Council of Administration.

6. Other operations are performed, such as are generally transacted by credit institutions.

At the close of 1855, 1,215 credits had been opened, amounting to 21,905,000 florins, on which the guarantees amounted to 1,153,940 florins;

bills of exchange had been discounted, amounting to 57,543,898 florins; the deposits in account current were 2,908,140 florins; the profits on the discount of bills of exchange amounted to 871,410 florins, which, after deducting for interest and commission 333,283 florins, and added to the balance of the previous year, made a total of 615,892 florins, and, after deducting for general expenses 466,404 florins, a net profit of 149,488 florins, equal to 7 per cent., or 35 florins per share.

BAVARIA.

The Royal Bank of Bavaria is situated at Nuremberg. The original bank was established in 1780, under the name of the *Bank of the Court of Anspach.* In 1791 it passed with the Duchies of Anspach and Baireuth to Prussia; but in 1806, the Emperor Napoleon forced Prussia to relinquish these Principalities, which were handed over to Bavaria. While these were in the possession of Prussia, the Bank existed under the title of the *Royal Bank of Prussia and Franconia, at Firth;* but in 1806, when the separation took place, the first statutes of the Bank were promulgated. Branches were established at Anspach in 1796, at Bamberg in 1844, at Wurzbourg in 1847, at Ratisbon in 1850, and at Baireuth and Ludwegshafen in 1852. The present laws by which it is governed date from October, 1850, and embrace the following objects:—

1. To be serviceable to commerce and trade as a bank of exchange.
2. To assist commerce and industry by loans; and also to advance loans to persons not in trade upon guaranteed securities.

Its operations extend to all parts of the kingdom; and though a commercial bank, it is subject to the control of the Minister of Finances. The capital consists of funds furnished by the *employés* of the Bank as caution money, and of sums engaged by the State, and judicial deposits which are made to the Bank against obligations, by virtue of a law passed in July, 1850. The caution money furnished by the *employés* insure to them a portion of the net profits, equal to one moiety, without giving them any right to the property of the Bank, while the other is placed to the reserve fund. The losses are taken from the reserve, when not occasioned by the negligence of any officer of the Bank. The management is vested in a director and a cashier, which are under the *surveillance* of a Royal Commission. All despatches are made in the name of the Bank, and signed by the Director. The accounts of the Bank are not published.

Bank of Hypothecation.—This Bank was established at Munich by the law of the 1st of July, 1834, as a private bank, for the term of ninety-nine years. The original capital was 10,000,000 florins, with power to increase to 20,000,000 florins, under the obligation of employing, without this augmentation of capital, 12,000,000 florins in loans on hypothecation. The shares are nominative, and of 500 florins each, bearing interest at 3 per cent., which can be transferred by endorsement. This is the only bank in Bavaria permitted to issue notes payable to bearer, from 10 florins and upwards; but the amount is not allowed to exceed *four-tenths* of the share capital, or eight

millions, which are to be guaranteed by holding to the amount of *one-fourth* part *in silver*, and the other *three-fourths* to be guaranteed by double the amount of hypothecated inscriptions. The affairs of the Bank are superintended by a Commission named by the Government. After deducting 3 per cent. interest on the capital paid up, *three-fourths* of the net profits are divided amongst the shareholders, and *one-fourth* placed to the reserve fund, which cannot exceed 7½ per cent. of the capital. The operations of the Bank are as follows:—

1. *Loans upon Hypothecation.*—Only half the value is advanced upon landed property: and the minimum sum is 500 florins; when the borrower has to declare,—that he will abide by the conditions of the Bank in deciding any questions relative to the advance; that in case of non-payment, he will renounce all resistance which the law allows; that the Bank may demand the loan, by giving six months' notice. The money advanced is redeemed by annual sums from ½ to 1 per cent. of the capital every six months, so as to repay the amounts exactly in a given time; at 4½ per cent. in 61½ years; at 5 per cent. in 43 years; at 5½ per cent. in 34½ years; and at 6 per cent. in 29 years. The borrower has, at the same time, the right of acquitting himself by re-imbursing the capital; in that case the annuities paid are re-imbursed to him.

2. The *Discount Operations* comprise the public stocks, Bavarian coupons, reimbursable in six months, bills of exchange at three months' date, having three solvent signatures, or if satisfactory, two are sufficient: the bills are endorsed in blank, accompanied by a promissory note of equal amount to negotiate; this note must have fourteen days less to run than the security negotiated; and in case it should not be paid at the time it becomes due, the Bank will sell at the Bourse next day the bill discounted, at the risk of the debtor. The Bank also discounts promissory notes having three months to run, which must be guaranteed by deposits of equal value, either in merchandize, valuable materials, or in public stocks, the last of which are received at 80 per cent. of their market value, and the others at 75 per cent., accompanied by a permission to the Bank to sell at the risk of the debtor in case of non-payment when due; upon gold and silver it advances the whole value for thirty days, with a provision of 8 per cent.

3. Every shareholder has a right to open an account, when he is credited for all sums deposited by him, and dispose of them as he pleases.

The shareholders are represented by a committee of sixty in number, possessing the largest number of shares, which appoint seven members residing at Munich, who form the direction of the Bank, and select from amongst themselves a President and a Vice-President, replaced every year. Each Director deposits ten shares during his time in office. The presence of three members is necessary to give a decision; and the President decides in case of a division. The members of the direction perform their services gratuitously; and a general meeting is called every year on the second Monday of the month of March, of the sixty members. The Committee appoint a commission for the verification of the balance-sheets, and the accounts are made up at the end of June and December in each year.

As well as banking operations, the Bank has power to conduct *Fire and Life Assurances*, in accordance with the laws of Bavaria. The capital assured under the former increased from 12,000,000 florins in 1837, to upwards of 200,000,000 florins in 1855; while assurances upon lives had increased from 256,700 florins, to upwards of 1,800,000 florins. The loans advanced had increased in the same time from about 2,200,000 florins to upwards of 16,000,000 florins. The total assets in June, 1856, amounted to 771,463 florins.

BELGIUM.

The Bank of Belgium, at Brussels, was established in 1835, with a capital of 20,000,000 francs, divided into 20,000 shares of 1,000 francs each. Its duration was provisionally fixed until 1860. The shares are nominative, or to bearer, at the option of the subscribers; but the first description only gives the right to vote at any of the general meetings. The shares bear an interest of 5 per cent., and 90 per cent. of the excess of net profits is paid to the shareholders, and 10 per cent. is placed to the reserve fund. In 1841 the capital was permitted to be increased by 10,000,000 francs, in 10,000 shares of 1,000 francs each, bearing interest at 5 per cent., with a priority over the old shares, on which the interest was reduced to 4 per cent.; and should the profits of the Bank permit it to give 5 per cent. to the old shareholders, the remainder of the profits were to be divided equally amongst the two; but as only 1,432 new shares were subscribed for, the increase of capital was only 1,432,000 francs, making the total amount 21,432,000 francs.

The operations of the Bank at first consisted of discounting bills, receiving deposits, transfers, and exchange. It also issued bank notes, of 40, 100, 500, and 1,000 francs each, which were a *legal tender*. Branch banks are established at Antwerp and Liège.

From the 15th of November, 1849, the Bank has ceased to be connected with the State, by its issue of notes, and as a discount bank; and in the same year it took shares in the *National Bank of Brussels* to the amount of 15,000,000 francs. No accounts were published prior to 1852, when the total liabilities amounted to 37,801,509 francs, or £1,512,000, and a great portion of its securities consisted of shares of various descriptions, of which 10,587, at 600 francs each, were of the *National Bank*. The cash held was only about 300,000 francs, or £12,000.

The National Bank of Brussels was established by the law of the 5th May, 1850, by a convention with the Government, the *Bank of Belgium*, and the *Société Générale*, and commenced business in January, 1851. Its duration was fixed for twenty-five years, or until 1875, which, by a majority of votes at a general meeting, may be prolonged beyond that period. The capital is 25,000,000 francs, divided into 25,000 shares of 1,000 francs to bearer or nominative; of which 700 francs per share were paid up. The reserve fund is formed by *one-third* of the net profits, after paying 6 per cent. interest on the capital paid up, payable half-yearly, on the 1st of March and the 1st of September. The operations of the Bank consist of—

1. Discounts and negotiates commercial bills of exchange and Treasury bonds.
2. Commercial bills must bear *three* solvent signatures, and not have more than 100 days to run.
3. Makes advances upon Government securities to the extent of *four-fifths* of their market value.
4. Receives deposits of public securities, coin, and other valuable property, or in accounts current.
5. Makes advances on current accounts with guarantee.

All other kinds of transactions are expressly forbidden by the statutes. The Bank transacts business for the profit of the State upon certain fixed conditions, and issues bank notes to bearer, which must be guaranteed by value, easily realised, *one-third* of which must be in *specie*. These notes are received as a *legal tender* by the State.

The management is vested in a Governor and six Directors; the first is nominated by the King, and the others at a general meeting. A Government Commission is also appointed to survey the operations of the Bank.

The capital is composed of 10,000 shares by the *Société Générale*, and 15,000 shares by the *Bank of Belgium*, on which *three-fifths* have been paid up; the other *two-fifths* to be called up as required. The *National Bank* is charged with the redemption of the notes of the *Société Générale*, receiving 3 per cent. interest on those which were not covered by security in cash. The total amount of such notes exceeded 20,000,000 francs, which the *Société Générale* was bound to redeem, or deposit with the *National Bank* a sum sufficient to cover them. The *National Bank* receives 200,000 francs annually from Government for the business transacted for the Treasury. By the convention between the Government and the *Bank of Belgium*, in 1849, it secured to the latter 15,000,000 francs in shares, on condition that, like the *Société Générale*, it should renounce the right to issue notes; and the *Bank of Belgium* was bound to retire its notes in the same manner, with the exception of those issued on account of the Government.

At the general meetings, possession of ten shares of each of the above-named banks give a right to one vote, and no shareholder can have more than five votes. In case of losing more than *three-fifths* of the capital, the bank to be dissolved, but only by a majority of three-fourths of the shareholders, and the consent of the Government.

Société Générale.—This Bank is situated at Brussels, and was founded before the separation of Belgium from Holland, under the title of *Société Générale des Pays Bas*, by King William, in August, 1822, with a capital of 50,000,000 Dutch florins, divided into 60,000 shares of 500 florins each;* and also of 20,000,000 of florins, in lands given by the Sovereign. The duration of the Bank was fixed until 1849. The operations of the Bank consisted of discounts, transfers, accounts current, of deposits and loans, and to issue bank notes to the amount of 20,000,000 of florins, and grant loans to an equal amount. The shares were nominative, and entitled to 5 per cent. interest, which was guaranteed by the King; they enjoyed equally a share of the profits. The Bank received the revenues from the domains of the Crown, for which it paid to Government 500,000 florins a-year. It managed the Government Stock at 1-8th per cent. to 1832, and after that period at 1-4th per cent., by agreement.

By the law of the 20th of March, 1848, it suspended cash payment, and the payment of interest and dividend, which, however, were paid from the end of May, 1850, with overdue interest. The law of 20th May, 1848, authorized an issue of bank notes to the amount of 20,000,000 francs on account of

* The *florin* is equal to about 1*s.* 8*d.* sterling.

the Savings' Banks, for which it paid to Government 4 per cent. interest; in the same year the Bank adopted the French system of accounts.

The statutes were modified in 1850 and 1852: in the latter year the right of issuing notes was withdrawn, and the term of duration was fixed until December, 1875; it also ceased to be a bank of discount. Its dissolution can be pronounced by a majority of votes representing not less than *three-fourths* of the shares. The capital, including the reserve fund, in January, 1852, was about 63,625,000 francs, or £2,545,000.

The management of the Bank is vested in a Governor and six Directors, under the *surveillance* of nine Commissioners. The Governor is nominated by the King; and the Directors, Commissioners, and Cashiers are chosen at the general meeting of shareholders. As a guarantee of fidelity the Governor must deposit forty-eight shares; each of the Directors and Cashiers, twenty-four shares; and each Commissioner twelve shares. The general meetings are held the first Monday in April of each year.

The Union Bank of Credit was established in Brussels, in May, 1848; the duration is fixed for twenty-five years: its object is to assist commercial and industrial enterprizes, as well as agriculture, by procuring capital for such parties as are solvent and of good credit; such persons are admitted as members of the *Union*, or by guarantee, as the administration may deem most desirable. The Company has no power to issue notes to bearer, without the authority of Government. Each member partakes of the profit and loss of the *Union* in proportion to the credit given to him, the *minimum* of which is 500 francs. Each member can dispose of the whole or part of the credit open to him, by giving commercial bills to the amount, not having more than ninety days to run, or simply his own promissory note. One-third of this note is retained, and credited to such members as a reserve. Any member wishing to retire from the Company must give notice to the administration in the two first months of the quarter, and he is responsible until the end of the three months. The share of the net profit of the Company is placed to the account of each member.

The operations are surveyed by nine Commissioners, and a Council of Administration, composed of five members, nominated by the general meeting. The Council are entitled to 15 per cent. of the net profit, and the distribution is decided by regulations agreed upon. A Commission of twenty members is called to determine the admission of a new member, and to fix the credit to be accorded to him. This Commission is appointed at a general meeting, and renewed every three months on the retirement of five members from it, who are not re-eligible till after three months. At the sittings of the Commission twelve members, at least, and *three-fourths* of the votes, are necessary to a decision. The sittings are held every week in private committee, and the services are gratuitous. The general meetings are held the first Tuesday in February of each year, and comprise all the members of the *Union*, and the majority decide all questions proposed. Each member has but one vote, but by procuration can unite three. The Councils of Administration can convoke an extraordinary meeting, or twenty members of the *Union*. Every change in the statutes must be submitted to the approbation of the Government.

BRUNSWICK.

The Ducal Loan Bank.—This Bank was originated in 1765, and its operations have gradually increased. Since March, 1842, it has become the credit institution of the State, and has branches at Helmstedt, Blankenburg, Gandersheim, Holzminden, and Wolfenbüttel. The Bank has power to issue notes to the amount of 600,000 thalers,* of which 500,000 thalers are in constant circulation. The Savings' Banks are also connected with the institutions, the deposits of which amounted in 1852 to about 408,000 thalers.

The operations of the Bank are very considerable, and estimated to amount to about 20,000,000 thalers annually. The net profits of the Bank are paid into the public Treasury. Amongst the general operations of the Bank the following are the principal:—1. It lends and borrows money upon interest and security. 2. All public moneys must be deposited in this Bank, but returned in the same manner in which they were deposited. 3. Lends money upon landed property situated in the Duchy, to *two-thirds* of its market value. 4. On Treasury Bills to *nine-tenths* of their value. 5. On Life Policies to *two-thirds* of the amount insured, but, with additional security for the annual premium to be paid. 6. On coin and bullion to *nine-tenths* of their value. The Bank only publishes its accounts once in three years.

The rate of interest charged by the Bank was formerly fixed, but it now depends upon the condition of the money market.

The Bank of Brunswick.—This Bank was founded in May, 1853, for a term of ninety-nine years, with a capital of 3,000,000 thalers, divided into 15,000 shares of 200 thalers each, to bearer, but not until 50 per cent. was paid up; of these, 10,000 shares have been issued, leaving 5,000 to be divided amongst the shareholders at a future period, reserving to the Government 500 shares. The deposit on each share was fixed at 10 per cent., and the remaining instalments at the same rate.

The operations are—1. To issue bank notes. 2. To discount bills of exchange. 3. To circulate bills to order. 4. To open current accounts, and receive deposits of coin and other valuables. 5. To advance money upon foreign coin and bullion, as well as on securities and merchandize. 6. To purchase public securities and shares with its capital; but this can only be done with the consent of the Commissioner of the Ducal Government. The bank notes issued are as low as ten thalers, twenty-five thalers, and upwards: but the amount cannot exceed the paid up capital, of which *one-fourth* part must always be at the command of the Bank in specie. The net profits beyond 4 per cent. to be paid to the shareholders is thus distributed—10 per cent. is placed to the reserve fund, 10 per cent. to the Directors, and 80 per cent. to the shareholders.

The management is vested in a Council of Administration appointed at a general meeting, composed of eighteen members, each of whom must deposit with the Direction five liberated shares, that is, shares on which 50 per cent. has been paid up. The Direction is composed of six members named by the

* The *thaler* is equal to about 3*s.* sterling.

Council; the Directors are recompensed for their services, and have to deposit a number of liberated shares, which is determined by the Council. The holders of five to ten shares, have *one* vote: of eleven to twenty shares *two* votes: of twenty-one to thirty-five, *three* votes: of thirty-six to fifty, *four* votes: of fifty-one to seventy-five, *five* votes: of seventy-six to one hundred, *six* votes, &c.; the maximum of any shareholder is *ten* votes. The general meetings are held in February or March.

DENMARK.

The National Bank at Copenhagen was founded upon the Old *Specie Bank* of Norway in 1813, when the latter was dissolved. The capital was 5,870,000 rigs-bank dollars * (the assets of the Norway Bank), which was charged with the redemption of its notes to the amount of 3,106,181 r. b. dollars, besides a debt contracted by that Bank amounting to 13,910,453 r. b. dollars, which was subsequently reduced to 7,000,000 r. b. dollars, when the two kingdoms were separated. In exchange for this the new Bank was empowered to issue notes to the amount of 46,000,000 r. b. dollars, of which 27,000,000 were to be appropriated to the redemption of notes, 4,000,000 for a loan fund, and 15,000,000 for a reserve fund: to the latter were to be added 10,000,000 of unredeemable bonds. The Bank engaged to pay the annual interest on the whole amount, which was not to exceed 600,000 r. b. dollars.

The operations of the Bank are to make advances on landed property, which were not allowed until 1836; but they are principally confined to loans, discounts, bank shares, public funds, and bank bills. In consequence of the financial difficulties of the Government a few years since, the Bank has been allowed to increase its issues to the amount of 3,500,000 r. b. dollars, provided it withdrew the one dollar notes from circulation. It has two branches—one established at Aarhaus in 1837, and at Flushing in 1844.

The Central Bank of Copenhagen was founded on the dissolution of the *Baltic Company* in 1829, by a private company, who subscribed 40,000 r. b. dollars, in 400 shares at 400 dollars each, and paid 100 dollars upon each share. In 1833, the capital was increased to 48,000 dollars, by a payment of twenty dollars per share. In 1844, 100 new shares were issued, and the total amount of paid-up capital was increased to 81,000 r. b. dollars.

The Bank grants loans for sums not less than 1,000 r. b. dollars upon goods and other safe pledges; discounts bills not having more than three months to run; advances on merchandize from *one-half* to *two-thirds* of its value, at a rate of interest averaging about 5 per cent. per annum, including various charges. The Bank receives or borrows money at from 3 to 4 per cent., according to the length of the term.

* The *rigs-bank dollar* is equal to about 2*s.* 3*d.* sterling.

FRANCE.

The Bank of France is one of the most important banking institutions in Europe, and its operations rank next in magnitude to the Bank of England, therefore a brief sketch of its origin and progress may be interesting here.

The failure of the banking scheme of John Law, a Scotchman, in France, in the beginning of the 18th century, produced an imperishable notoriety in that country; so that it was somewhat difficult to found an establishment that should gain the confidence of the people. In 1796, a company was formed in Paris under the title of "*Caisse des Comptes Courants*," carrying on all the operations connected with trade and commerce at that time. The rate of discount in Paris was then as high as 9 per cent. per annum; but the new Bank commenced the issue of notes, and it was reduced to 6 per cent. In 1798, a discount company was formed, called the "*Caisse d'Escompte du Commerce*," which was soon followed by several others, each company issuing their own notes in what form they pleased. In consequence of the events of the 18th *Brumaire*, the "*Committee of National Safety*" resolved on forming a State Bank, under the title of the "*Bank of France*." In the first report of the 25th *Vendemiare* (October 17, 1800,) it is stated that half the guarantees of the Receivers-General deposited with the Government were transferred to this Bank, by a Decree of the 18th *Nivôse* (January, 18, 1800). This sum amounted to 5,000,000 francs, or £200,000, on the security of 5,000 shares. The fund of the National Lottery was also deposited in the Bank. The sum of 30,000,000 francs, or £1,200,000, had been originally proposed as the capital of the Bank; but the state of France at that time rendered it very difficult, if not impossible to collect that sum. Having, however, received its first existence from the State, the Bank commenced operations; but it had to compete at the outset with the *Caisse des Comptes Courants*. The projectors fearing that this competition might ruin both institutions, they were amalgamated, and the proprietary of the *Caisse des Comptes Courants* added to the joint stock capital 6,000,000 francs in bills, 5,500,000 francs in cash, together with its circulating credit in bank notes of 500 francs, and 1,000 francs, each, which made up a total of 20,780,327 francs. The Bank made use of these notes at first, and discounted bills of exchange having only sixty days to run, while the *Caisse des Comptes Courants* only received bills having forty-five days to run. The new Bank was, however, soon charged with State duties, and by a Decree of the Consuls of 23rd *Thermidor*, it was authorized to pay the pensions and the *Rentes* of the first six months of the year VIII.; but the Bank, in the mean time, always kept up the deposits of the Receivers-General to the amount of 5,000,000 francs. In the first year only 7,447 shares were taken, of which 5,000 were disposed of to Government, leaving only 2,447 shares subscribed for by the public: the number, however, gradually rose to 15,000 shares, when the Bank appears to have surmounted its first great difficulty. In April, 1803, by a Decree of the 24th *Germinal*, Art. 1, on the Bank was conferred the exclusive right of issuing notes, as follows:—

"Art. 1. The Company founded at Paris has the exclusive right of issuing bank notes under conditions provided by the law."

By the 30th Art., the right of issuing notes by other Banks was prohibited in the following terms:—

"Art. 30. Provides that the *Caisse d'Escompte du Commerce*, the *Comptoir Commercial*, the *Factories*, and other companies, which used to issue notes at Paris, have now no longer the right to issue new notes from this date, and are, moreover, instructed to withdraw the old ones from circulation by the 1st *Vendemiare*.

"Art. 31. Provides that no bank can be founded in the provinces without the special provision of Government, who is also to regulate the amount of notes to be issued. All notes circulated in the provinces must be fabricated in Paris alone."

The Charter at first was only granted for fifteen years, which caused considerable dissatisfaction.

The capital of the Bank by the law of the 24th Germinal year XI. was increased to 45,000,000 francs; by the law of the 22nd of April, 1806, it was increased to 90,000,000 francs, in 90,000 shares of 1,000 francs each. The dividend was also limited to 6 per cent. per annum on the original capital, and to *two-thirds* of the excess of profits beyond that proportion of dividend; the remaining *one-third* to be placed to the reserve fund. A portion of this capital was afterwards reduced between 1808 and 1817, by the Bank employing a part of its profits to the redemption of its shares, by which 22,100 were cancelled, reducing the capital to 67,000,000 francs. The Bank had not been long in existence before it was brought into contact with the Emperor Napoleon, who reproached a deputation that waited upon him for not extending discount accommodation on the bills of the Receivers-General, and for not affording greater facilities to trade and commerce. In the year 1812 the profits of the Bank enabled it to purchase 225,000 francs of *Rente*, but its funds were continually put into requisition by the Government, so that great distrust was aroused in the minds of the public, and a rumour was circulated in 1805 that the Emperor had carried all the capital of the Bank with him to Germany, which caused a run on the establishment, to meet which the Bank diminished its discounts, a circumstance that increased the alarm, and caused it to limit its cash payments to 500,000 francs a-day. The circulation of bank-notes fell at one time from 48,334,000 francs to 1,136,000 francs, and their value was at 10 per cent. discount. The victory at Austerlitz, however, restored confidence in the Government, and saved the Bank, in consequence of the diminished demand for specie. The Emperor was highly indignant at the financial condition of the country, and charged the consequences upon the Minister of Finances, and the Contractors who supplied the Government with money and provisions, amongst whom was M. Ouvrard,—the Great Warrior never dreaming of the exorbitant amount of his expenditure.

On the 16th of January, 1808, new Statutes for the regulation of the Bank were promulgated, sixty-three in number: and on the 18th of May, in the same year, a decree of the Emperor was published, which gave power to establish branches in the provinces, containing forty-three Articles.

By the law of the 4th of July, 1820, the profits, which had increased up to the 31st of December, 1819, were authorized to be divided, amounting to

13,768,527 francs; on the 6th of December, 1831, another law was passed authorizing a division of profits which had accrued by June the 30th of that year, amounting to 9,974,398 francs. In 1834 the law of the 17th of May fixed the reserve at 10,000,000 francs, represented by 500,000 francs of 5 per cent. *Rentes*, independently of a portion of the reserve employed in the purchase of the Hotel of the Bank and the buildings attached.

The circulation of its notes in the time of the first Napoleon ranged from 54 to 110 millions of francs; in 1814 it fell once as low as 10,680,000 francs, and the bullion to 5,000,000 francs. From the 23rd of September, 1805, to the 25th of January, 1806, the Bank limited its cash payments to 500,000 fr. a-day; but after the victory at Austerlitz it resumed cash payments in full.

In 1812 the bullion was reduced to a very low figure, which compelled the Bank again to limit its payments in cash to a certain sum per day from the 11th of January to the 16th of April, 1813.

In 1813 the Government owed the Bank 94,543,000 francs, or £3,781,720: in 1813 it was reduced to 76,272,000 francs, or £3,050,880; in 1817 it was reduced to £2,960,000; but in 1823 it was increased to £4,360,000; in 1824 to £4,480,000; in 1830 to £11,640,000; in 1831 to £14,640,000; and in 1848 to £101,120,000. In March of this year the Bank suspended cash payments in consequence of the revolution of February.

The Bank established a branch bank at Lyons and Lille in 1808; in Rouen in 1810; but the former were abolished in 1817, and the latter in 1813. In 1835, branches were established at Reims and St. Etienne; in 1838 at Montpelier and St. Quentin; in 1840 at Angoulème and Grénoble; in 1842 at Besançon, Caen, Charteauroux, and Clermont; in 1844 at Mulhouse; in 1846 at Strasburg, Mans, Nîmes, and Valenciennes; and in 1848 at Metz.

In the Report of the Committee appointed to examine the constitution of the Bank of France by the Chamber of Deputies in 1840, the following sketch is given:—

"The Bank of France, in its original form, and according to the law of Germinal of the year XI., was administered by a General Council, entirely chosen among the shareholders; the general direction of its affairs was entrusted to a Central Committee of three members taken from among this Council; the law of the 22nd April, 1806, replaced the Central Committee by a Governor, to be named by the head of the Government; it gives to the Governor the right of presiding in the General Council of the Bank and in all the committees; of appointing and removing all agents; of signing, in the name of the Bank, all agreements and covenants, and of carrying on all judicial proceedings. It enacts that no bill shall be discounted, except with his approbation; that no resolution shall be carried into effect unless signed by him; it renders it his duty to see that the laws relative to the Bank are executed to their full extent, as well as the statutes and the resolutions of the General Council.

"On the fall of the Empire, the introduction of three agents chosen by Government into the deliberations of a private company, was represented as an act of tyranny, and a return was demanded to the freedom of action which the Bank had originally possessed. The Minister of Finance proposed, on the 26th of November, 1814, to the Chamber of Peers, a project of law which suppressed in fact all participation of the Government in the deliberations and transactions of the Bank. Another project of law was presented on the 13th April, 1818, conceived in the same spirit of reaction against the imperial decrees, although with more prudence and reserve; but these projects have not become laws, and the

organization of the Bank has continued to be regulated by the law of the 22d April, 1806, and the decree of the 16th January, 1808.

"We ought to observe that the Bank now makes no objection to the interference of the government in its administration.

"Your Committee also approve of it without reserve. Not that they would wish to afford to the Government a means resorted to at former periods, of procuring irregularly the resources of which it might stand in need; they are of opinion, on the contrary, that the public treasury should never treat with the Bank, except by mutual consent, on conditions respectively agreed to, and as every other capitalist would do. But such would be the influence on the value of all transferable property *(valeurs aliénables)*, and consequently on all private fortunes, of an unlimited extension of, or of an imprudent restriction in this immense circulation of notes performing the functions of money, and of a change in the rate of interest which the Bank charges in this enormous rate of discount, or of a refusal to render to commerce the gratuitous services which it owes to it; that it is impossible to expose society to the chances of the errors which may be committed, or of the bad calculations which may be made by a private company armed with such extensive powers. Your Committee would have been more disposed to increase, than to diminish, the power of Government, if an attentive examination of the nineteenth article of the law of the 22nd of April* had not convinced them that all the guarantees would be found in it, in case of need, which circumstances might render desirable."

The Provisional Government of 1848 caused the Bank to enter upon a new career; but a brief sketch of its position during the revolution of that year is desirable to shew the changes that were made. At the end of February, 1848, the Bank held in its coffers about £9,000,000 of bullion, but by the 15th of March it was reduced to £2,000,000. By the advice of the Council-General of the Bank it was decided on the 15th of March, 1848, to suspend payments of the notes in specie, and to make them a *legal tender;* that the issue of notes should be limited to 350,000,000 francs; that notes for 100 francs should be fabricated, and that the accounts of the Bank should be published weekly instead of quarterly. The suspension of cash payments was also extended to the Provincial Banks, making their notes a legal tender in their respective departments. The bullion then held by those banks collectively amounted to 19,450,000 francs, or £778,000; but this regulation caused great confusion and inconvenience in the respective districts, and great obstructions to commercial intercourse; this evil, however, was remedied by the decrees of the Provisional Government, dated the 27th of April and the 2nd of May, by which all the Provincial Banks were incorporated with the Bank of France by transferring their Joint Stock capital at par to that of the Central Bank, and by allowing the Bank of France to add also their issues of notes to its own, amounting to 102,000,000, by which the Bank of France was enabled to extend its issues to 452,000,000 of francs, the whole of which became legal tender throughout every department of France. This measure was calculated greatly

* This article is as follows:—"No security can be discounted except proposed by the Council-General, and the formal approbation of the Governor. The nomination, the revocation, and discharge of the agents of the Bank shall be exercised by him. He alone shall sign all agreements and covenants. All judicial proceedings shall be exercised in the name of the regents, at the request of the Governor; he shall sign the correspondence; he shall, nevertheless, in this respect, also fill up all endorsements, receipts, and active securities of the Bank. The Governor shall preside over the Council-General of the Bank, and all the Committees. No resolution can be executed if it does not bear his signature; and he can execute to the fullest extent the laws relative to the Bank, the statutes, and the resolutions of the Council-General."

to simplify the issue of notes. These Provincial Banks were *nine* in number, and consisted of the following number of shares and amount of capital:—

	Number of Shares.	Value of Shares. Francs.
Rouen	3,000	3,000,000
Lyons	2,000	2,000,000
Havre	4,000	4,000,000
Toulouse	1,200	1,200,000
Lille	2,000	2,000,000
Orleans	1,000	1,000,000
Marseilles	4,000	4,000,000
Nantes	3,000	3,000,000
Bordeaux	3,150	3,150,000
Totals	23,350	23,350,000

The above number of shares were exchanged for shares in the Bank of France at an equal nominal value, in consequence of which the Bank of France was allowed to issue 23,350 new shares, which raised the total number to 91,250 shares, and increased the capital to 91,250,000 francs, or £3,650,000. By this operation the shareholders in all the Provincial Banks became proprietors of shares in the Central Bank, and those banks were considered as branches of that establishment. By the Report of the Bank of France for 1856 the number of branch banks was thirty-eight, established at the following places:—

Amiens,	Dijon,	Montpellier,	Rouen,
Angers,	Dunkerque,	Mulhouse,	Saint-Etienne,
Angoulême,	Grenoble,	Nancy,	Le Quentin,
Arras,	Havre,	Nantes,	Strasbourg,
Avignon,	Lille,	Nevers,	Toulon,
Besançon,	Limoges,	Nîmes,	Toulouse,
Bordeaux,	Lyons,	Orleans,	Troyes,
Caen,	Mans,	Rheims,	Valenciennes.
Châteauroux,	Marseilles,	Rennes,	
Clermont-Ferrand,	Metz,	Rochelle,	

By the law of the 19th of July, 1845, the Bank was authorized to establish a branch at Algiers, with a capital of 10,000,000 francs, of which the Bank was to take 2,000 shares to itself, under an arrangement that it was to commence operations before the 1st of April, 1848, but the fulfilment of this arrangement was frustrated by the revolutions of that year; and the deposits, amounting only to 3,437,000 francs, were reimbursed.

The Bank had to undergo great difficulties during the revolutionary months in 1848, nevertheless it sustained its operations with an extraordinary degree of perseverance and good management, while nearly all Europe was embroiled in a state of warfare. Some idea may be formed of these operations by a reference to a few of the leading facts of that period. From the commencement of the outbreak at the end of February to March the 15th, the Bank discounted bills to the amount of 110,000,000 francs; it

repaid to the Treasury 77,000,000 francs out of 125,000,000 francs then owing; it granted 10,000,000 francs to the Provincial branch banks; it discounted also for them bills to the amount of 43,000,000f., in the towns where it had branches; by this means it reduced its bullion to 50,000,000f., or to £2,000,000 sterling, which was sufficient to cover about 30 per cent. of its immediate liabilities. The Bank at the same time held in its portfolio bills discounted to the amount of 305,000,000f., or £12,000,000, having on an average forty-five days to run; besides 1,170,000 francs of *Rente*, and 18,000,000f. of public securities. The transactions in specie were equally great; the Bank obtained specie from abroad to the amount of 40,000,000f., at great cost, providing Paris with 158,363,000f., and the departments with 201,630,000f., and the Government with 136,000,000f., making a total of 496,000,000f. of specie, or nearly £20,000,000. On the 20th of April the bullion in the bank stood at £3,540,000; on the 30th of November it was £8,820,000; during the same period the notes in circulation were reduced to 300,000,000f. Twelve months from the same date, namely on the 8th of November, 1849, the bullion in the Bank had increased to 283,009,280f., or £11,320,037 at Paris; and in the branches to 126,439,996f., or £5,057,599, making a total of £16,377,970; while the circulation of notes had increased to 440,000,000f. The most extraordinary efforts were made to supply the Bank with coin, and the coinage of the Mints in 1848 and 1849 was exceedingly large, amounting to £13,051,189 in silver, and £2,672,291 in gold, making the total £15,725,480. The Bank had, in consequence of its bullion resources, never actually suspended cash payments, for on the 8th of June it announced that all payments of, and below, 5,000 francs, as well as all cheques on the branch banks, should be discharged in *coin*. No sooner was this made known than the public preferred the notes of the Bank; and so great was the increased demand for them in preference to coin, that by a law of the 22nd of December, 1849, the circulation was permitted to be increased to 525,000,000 of francs. On the 1st of January, 1850, the law of March, 1848, making the notes a legal tender, was withdrawn at the request of the Bank, and the provisions of the Bank statutes were again put in force, and the note circulation rose to 515,000,000f. In 1851 the bullion rose to 625,000,000f., and the note circulation averaged 528,000,000f. During the whole of this eventful period the Bank performed great services to the State. In March, 1848, it lent 50,000,000f. to Government on Treasury Bills without interest for one year; in May advanced 30,000,000f. on *Rentes;* and in June placed at its disposal 150,000,000f., payable by instalments upon *Rentes*. Besides these, large sums were advanced to the City of Paris and other departments.

The privileges accorded to the Bank of France were—1. By the law of the 14th of April, 1803, for fifteen years, from the 24th of September in that year. 2. By the law of the 22d of April, 1806, for a further period of twenty-five years, or until 1843. 3. By the law of the 30th of June, 1840, to the 31st of December, 1867.

June 9th, 1857, a new law was passed by the Legislative Body prolonging its privileges for 30 years, namely to the 31st of December, 1897, on certain conditions, of which the following are an abstract:—

"Art. 1. The privilege conferred on the Bank by the laws of the 24 Germinal, An. XI, 22nd April, 1806, and 30th of June, 1840, and which expires on the 31st December, 1867, shall be prolonged for thirty years, and shall not end until the 31st December, 1897.

"Art. 2. The capital of the Bank, now represented by 91,250 shares, shall henceforth be represented by 182,500 shares, of the nominal value of 1,000f. each, not including the reserve fund.

"Art. 3. The 91,250 shares newly created shall be exclusively ascribed to the holders of the 91,250 shares actually existing, who shall pay the price at the rate of 1,100f. per share into the Bank, quarter by quarter, within a year at the latest from the promulgation of the present law. The period of the first payment, and the conditions on which shareholders may be admitted to anticipate subsequent payments, shall be fixed by the Bank.*

"Art. 4. The proceeds of the new shares shall be employed, to the amount of 91,250,000f., in the formation of the capital determined by Art. 2, and, as regards the surplus, in the augmentation of the reserve fund actually existing.

"Art. 5. Out of the proceeds of the said shares a sum of 100,000,000f. (£4,000,000) shall be paid into the public treasury in the course of 1859, at the periods which may be agreed on between the Minister of Finance and the Bank. This sum shall be employed in diminishing the deficits *(decouverts)* of the Treasury. The Minister of Finance is authorized to transcribe in the *Grand Livre* of the public debt the sum of 3 per cent. Rentes, necessary for the employment of the said sum of 100,000,000f. A sinking fund of one-hundreth of the nominal capital of the said Rentes shall be added to the *dotation* of the Caisse d'Amortissement. The Rentes shall be transferred to the Bank of France at the average price of the month preceding each payment, but shall not be inferior to 75f.

"Art. 6. Out of the Rentes inscribed in the Treasury in the name of the Caisse d'Amortissement, and arising from the consolidation of the reserve funds of the Amortissement, a sum equal to that of the Rentes created by the preceding article shall be struck out of the *Grand Livre* of the public debt. The Rentes shall be definitively annulled from the day on which the new Rentes shall be transferred to the Bank.

"Art. 7. The privilege accorded to the Bank of making advances on French public securities, on French railway shares and bonds, and on the bonds of the City of Paris, is extended to the bonds issued by the *Societe de Credit Foncier*. The general enactments which shall regulate the mode of executing the preceding paragraph must be approved of by a decree.

"Art. 8. The Bank of France may, if circumstances require it, raise above 6 per cent. the rate of discounts, and the interest on its advances. The profits which the Bank may derive from the exercise of this privilege shall be deducted from the sums annually divided among the shareholders, and shall be added to the capital.

"Art. 9. The Bank of France shall have the privilege of reducing to 50f. its lowest class of notes.

"Art. 10. Ten years after the promulgation of the present law the Government may require the Bank of France to establish a branch bank in the departments in which none may exist.

"Art. 11. The interest which may be due by the Treasury on account of its current account shall be regulated on the rate fixed by the Bank for the discount of commercial bills, but without exceeding 3 per cent.

"Art. 12. Regulations to be drawn up by the Government shall determine in regard to the shareholders, who may be incapable of managing their affairs, and to those in the payment of calls, the measures necessary for the execution of the present law."

The first return of the Bank in which the additional capital appeared was in the *Moniteur* of the 9th of July, 1857, making the total amount 182,500,000 francs, or £7,300,000. The bullion at this date amounted to £10,495,000; the discounts to £23,326,000; the notes in circulation to

* These payments have been arranged as follows:—275f. per share to be paid on the 10th of September and the 10th of December, 1857, and the 10th of March and the 10th of June, 1858; each shareholder to be entitled to the dividend of the second half-year of 1857.

£24,745,000; the Treasury account current to £4,563,290; and the private deposits to £6,582,930. The total liabilities of the Bank were 1,122,149,983 fr. or £44,885,999.

Constitution and Administration of the Bank of France.—The Bank is a Joint Stock Company, and its affairs are administered by a Council-General in accordance with the law of the 14th of April, 1803, and of the 22nd of April, 1806. The entire body of shareholders is represented by 200 of the principal proprietors, who, united, form the General Assembly of the Bank. The affairs of the Bank since 1803 have been administered by *fifteen* regents or directors, and *three* censors chosen from the entire body of shareholders at a general meeting. The regents and the censors form the Council-General of the Bank. *Five* regents out of the fifteen, and *three* censors, are selected from amongst the manufacturers and merchants, who are shareholders of the Bank, and *three* regents are chosen from amongst the Receivers-General of the public revenues. These are divided into *five* committees, for the purpose of controlling the operations of the Bank, as follows:—

1. The Committee of Bills.
2. The Committee of Books and Portfolios.
3. The Committee of Cash Accounts.
4. The Committee of Relations between the Bank and the Treasury, and the Receivers-General of the Public Revenues.
5. The Committee of Discounts.

The direction of all the affairs of the Bank is placed in the hands of the governor, who is named by the Sovereign. Originally this officer was selected by a central committee. There are two deputy-governors, named also by the Sovereign, filling up the office of the governor in the order of their nomination, in case of his absence, and exercise the powers delegated to him. The deputy-governors assist, and have a vote, in the deliberations of the Council-General, and they take rank amongst the regents, according to the priority of their nomination. Before entering upon their official duties the governor must deposit, as a guarantee of his good faith, 100 shares of the Bank, and each of the deputy-governors 50 shares. The honorary remuneration of the governor is 60,000 fr., and a deputy-governor 30,000 fr. per annum. The names of the several governors placed at the head of the Bank have been as follows:—

M. Cretel, April 25th, 1806.
M. Joubert, August 9th, 1807.
M. J. Lafitte, April 4th, 1814.
M. Gaudin, August 6th, 1820.
M. le Comte d'Argout, April 4th, 1834.
M. Davilliers, February 25th, 1836.
M. le Comte d'Argout, September 5th, 1836.
M. le Comte de Germiny, June 9th, 1857.

The operations of the Bank, as given in the Report already referred to, are as follow:—

1. To discount bills of exchange and other commercial securities, to order, at a given fixed term, which cannot exceed *three* months, and guaranteed by

three solvent signatures; such bills must represent *bonâ fide* commercial transactions. By the 12th article of the decree of January, 1808, the Bank is permitted to discount bills with *two* solvent signatures, provided that a transfer of Bank shares, or of consolidated 5 per cent. stock at par is added.

2. To make advances on gold and silver, bullion, and on public securities.

3. To receive deposits, to collect monies for other persons, and recover commercial bills remitted to them.

4. To receive in account current the money of individuals and public companies, and to pay all demands made upon it, to the extent of monies placed under its charge.

5. To hold, by voluntary deposit, title deeds of all descriptions, ingots, and specie in gold and silver.

6. By a decree of the 16th of March, 1848, the Bank was authorized by admitting, instead of three signatures, the discount of bills, on the receipts of deposits of merchandize.

7. By a decree of the 3rd of March, 1851, the shares and obligations of railways were also accepted; and by another decree of the 28th of the same month, the obligations of the City of Paris.

8. Advances cannot exceed *four-fifths* of the value of the securities presented according to their market value on the day the advance is made. The securities are then transferred to the Bank; the borrower undertakes in writing to reimburse the Bank within three months. This engagement also throws on the borrower the obligation of covering the Bank against any fall in the value of the securities deposited whenever it amounts to 6 per cent. The borrower must also satisfy the Bank in writing that the Bank has power to sell all or part of the securities upon the Bourse on the following conditions:—1. In default of completion three days after a simple deposit. 2. In default of reimbursement not later than the day following the term when due. The Bank reimburses itself upon the *net* produce of the sales of the securities after deducting interest and charges, paying the surplus, if any, to the borrower.

9. The Bank bases all its discounts of commercial paper on the term of three months, because it is the basis of all exchange transactions between one place and another; namely at Marseilles, London, Amsterdam, and Trieste; all other paper being an exception to the general rule.

By the Statutes of the Bank, it has to render an account of its operations to Government every six months. By the law of the 30th June, 1840, the Minister of Finances was obliged to publish, every three months, a statement of the Bank accounts to the end of the quarter; and by a decree of the 15th of March, 1848, they were to be published in the *Moniteur* every week. By another decree of the 25th of the same month, the departmental banks were obliged to render an account twice a week to the Minister of Finances, Agriculture and Commerce. By a decree of the 3rd of March, 1852, these accounts are now published quarterly, and those of the Bank of France monthly.

The following statement, compiled from official documents, will shew the various regulations and improvements introduced into the administration of the Bank since 1806:—

22nd April, 1806.—*Two-thirds* of the excess of profit beyond 6 per cent. on the capital, to be divided amongst the shareholders, and *one-third* placed to the reserve fund.

6th January, 1808.—The twelfth act of the decree permitted bills to be discounted bearing only *two* solvent signatures, by adding to this guarantee a transfer of Bank shares at 5 per cent. Consolidated Stock at par.

28th April, 1808.—Admission to discount of the bonds of the Mint.

11th June, 1818.—Advances on certificates of the loan of 14,600,000 francs of rentes. Extended to subsequent loans, by the order of the 18th October, 1821.

13th January, 1820.—Advances on bullion and money; interest reduced from 4 to 1 per cent.

13th January, 1821.—Admission of invoices of merchandize for cashing (though not acknowledged by the buyer).

15th January, 1824.—Creation of orders for the transfer of deposits.

29th April, 1824.—Creation of deposit notes payable at sight.

18th July, 1824.—Discount the two days before the days of settling.

7th February, 1833.—Advances on canal shares created by the laws of 1820 and 1821.

17th April, 1834.—Extraordinary discount the two days before the last day of each month.

Law of 17th May, Ordinance of the 15th June, 1834.—Advances on *Rentes*.

27th August, 1835.—Advances on *Rentes*, and discount of the paper to departmental banks.

11th May, 1837.—Extraordinary discount the two days before the fifteenth day of each month.

10th August, 1837.—Creation of promissory notes payable to order.

7th September, 1837.—Discount daily, instead of three days in the week.

7th September, 1837.—The net proceeds of the bills discounted placed at the disposal of the presenters the day itself of the discount, instead of the day after.

7th December, 1837.—Persons living in the department of the Seine authorized to present their paper direct to the Bank.

4th January, 1838.—The fixing the minimum of the amount of *Rentes*, on which advances are made at 500 francs, for the accommodation of the small holders of *Rentes*.

18th October, 1838.—Lyons, Roanne, Annonay, authorized to present their paper direct to the branch establishment of Saint-Etienne.

13th December, 1838.—Cette, Lunel, and Nîmes, authorized to present their paper direct to the branch establishment at Montpellier.

31st October, 1839.—Saint-Germain and Versailles authorized to present their paper direct at Paris.

7th November, 1839.—Admission to discount of bills drawn on towns where the Bank has branches (Reims, Saint-Etienne, Saint-Quentin, Montpellier).

12th December, 1839.—Vote for the establishment of a branch establishment at Grenoble.

1848.—By a decree of the 26th of March, 1848, the Bank was allowed to discount bills having two solvent signatures, on depositing, in addition, receipts on the deposit of merchandize.

1851.—By a decree of the 3rd March, 1851, the Bank was allowed to make advances upon Shares and Bonds of Railway Companies; and on the 28th of the same month on the Obligations of the City of Paris.

The length of time for bills to run discounted by the Bank of France has varied under different circumstances and at different periods, as well as the rate of discount charged, which cannot exceed 6 per cent.* The Bank has, however, always been unwilling to vary it to any great extent, unless by force of circumstances, such as have occurred during the last few years.† The following statement shews the changes in the terms of discount (échéance), from 1806 to the present time:—

* By the law of the 9th June, 1857, the rate is not limited.
† The Russian war having occasioned a great demand for specie exports.

From	14th December,	1806,	to	28th April,	1813,	90	days.
,,	29th April,	1813,	to	1st Dec.,	1813,	60	,,
,,	2nd December,	1813,	to	5th Jan.,	1814,	75	,,
,,	6th January,	1814,	to	6th Nov.,	1816,	90	,,
,,	7th November,	1816,	to	15th Jan.,	1817,	75	,,
,,	16th January,	1817,	to	14th Oct.,	1818,	90	,,
,,	15th December,	1818,	to	28th Oct.,	1818,	60	,,
,,	29th October,	1818,	to	11th Nov.,	1818,	45	,,
,,	12th November,	1818,	to	18th Nov.,	1818,	60	,,
,,	19th November,	1818,	to	2nd Dec.,	1818,	70	,,
,,	3rd December,	1818,	to	16th Dec.,	1818,	75	,,
,,	17th December,	1818,	to	3rd Oct.,	1855,	90	,,
,,	4th October,	1855,	to	13th Feb.,	1856,	75	,,
,,	14th February,	1856,	to	4th Oct.,	1856,	90	,,
,,	5th October,	1856,	to	23rd Dec.,	1856,	60	,,
,,	24th December,	1856,	to	24th June,	1857,	75	,,
,,	23rd June,	1857,	to	present date,		90	,,

It may be seen from this statement that in the terms for discounting bills, from 1818 to 1855, a period of 37 years, no alteration was made by the Bank of France, a fact which in a great degree accounts for the stability of its operations.

The following statement shews the variations made in the rate of discounts during the same period :—

From	20th February,	1800,	to	November	13, 1806,	6	per cent.
,,	14th November,	1806,	to	August	4, 1807,	5	,,
,,	5th August,	1807,	to	February	28, 1814,	4	,,
,,	1st March,	1814,	to	July	31, 1814,	5	,,
,,	1st August,	1814,	to	August	31, 1814,	4	,,
,,	1st September,	1814,	to	May	21, 1819,	5	,,
,,	1st June,	1819,	to	January	31, 1820,*	4 & 5	,,
,,	1st February,	1820,	to	January	13, 1847,	4	,,
,,	14th January,	1847,	to	December	26, 1847,	5	,,
,,	27th December,	1847,	to	March	2, 1852,	4	,,
,,	3rd March,	1852,	to	October	6, 1853,	3	,,
,,	7th October,	1853,	to	January	19, 1854,	4	,,
,,	20th January,	1854,	to	May	11, 1854,	5	,,
,,	12th May,	1854,	to	October	4, 1855,	4	,,
,,	21st September,	1855,	to	October	17, 1855,†	5	,,
,,	5th October,	1855,	to	October	17, 1855,‡	5	,,
,,	18th October,	1855,	to	March	30, 1856,	6	,,
,,	11th March,	1856,	to	September	24, 1856,	5	,,
,,	25th September,	1856,	to	June	24, 1857,	6	,,
,,	25th June,	1857,	to	present date, §		5½	,,

* For bills having thirty days or less to run, 4 per cent., and on bills beyond that term 5 per cent.
† On advances.
‡ On bills and advances.
§ On bills only.

The above statements exhibit a remarkable degree of steadiness in the rate of discount, even during the most perilous times; for instance, from the great crisis that was felt throughout the commercial world in 1847-8 to 1852, the Bank never raised its rate beyond 4 per cent.

Administration of the Branch Banks.—It now remains to say something of the administration of the branch banks under the present *régime*. Each branch bank has a manager, twelve directors at the most, or six at the least, and three censors. The manager is named by a decree, upon the report of the Minister of Finances, and upon the presentation of three candidates by the governor of the Bank of France, who alone has the power to name, to revoke, and discharge the *employés* of the branch banks.

The manager executes the orders of the Council-General, and conforms to the instructions transmitted by the governor; he signs the correspondence as well as the endorsements and receipts of commercial securities belonging to the branch bank that he governs. He presides over the Council of Administration and all committees. Judicial proceedings are exercised in the name of the regent of the Bank of France, at the request of the governor.

The manager of a branch bank cannot present for discount any bill bearing his own signature, or any one associated with him. Before entering upon his duties, the manager of each branch bank has to deposit, as a guarantee of his good faith, fifteen shares of the Bank of France. In case of death, sickness, or any other legitimate cause of absence, the Council of Administration names one of its members to perform the duties provisionally. The directors are named by the governor from a list of candidates which is equal to twice the number to be elected, presented to him by the Council-General of the Bank.

The directors of the branch banks are divided into three Committees, as follow :—

1. The Committee of Discounts.
2. The Committee of Books and Portfolios.
3. The Committee of Cash.

No bill can be discounted but on the proposition of the directors composing the Committee of Discount, and the approbation of the manager.

The censors are named by the Council-General of the Bank, and their term of office is three years; one-third of them are renewed each year, or re-elected. The services of the directors and the censors are gratuitous, and each must deposit four shares of the Bank of France as a guarantee of good faith, which are not transferable during the time they are in office.

The Council of Administration of each branch bank is composed of a manager, directors, and censors, which survey every part of the establishment; they decide all the internal management, except the modifications, which are made by the Council-General of the Bank. It fixes the sum to be employed in discounts, and makes out the annual statement of the expenses of the branch bank; it sees that no operations are performed but such as are permitted by the statutes of the Bank of France.

The Council of Administration meets at least twice a month, when it has submitted to it an account of all the affairs of the Bank. Its decisions are governed by a majority of votes, but they cannot be executed unless they bear

the signature of the manager. The Council can only deliberate with two-thirds of the directors assembled, and one of the censors.

The operations of the branch banks are the same as those of the Bank of France, by an *ordonnance* of the 25th of March, 1841, and the inspectors of finances can, by order of the Finance Minister, verify at any time the condition of the branch banks by a decree of 27th April, 1848.

Caisse de Réserve pour les Employés.—Amongst other regulations the statutes of the Bank of France (Art. 23) make provision for the officers of the Bank by a reserve fund, which is a kind of superannuation. This reserve is composed of the fiftieth part of their salaries, or about 2 per cent. The officers obtain their retired allowance at all ages, after 30 years' service; at 60 years, after 20 years' service; at 66 years, after 10 years' service; or in case of any accident or infirmity which renders it impossible to labour. The pension granted after 30 years' service is one-third of the salary; after 20 years' service, one-fourth; after 16 years' service, one-fifth; it is increased by one-twentieth part each year of service above that number. In all cases the *maximum* cannot exceed a moiety of the fixed salary, and no one can enjoy it so long as he is engaged in active service, whether it be in the Bank or in any other establishment or mercantile firm. The *employés* who resign, or are dismissed, lose their right to the pension; but not when employment is suppressed or any reform being made; in such cases they can reclaim, *without interest*, the sums which have been deducted. Widows, having been married five years, and not having married the second time, as well as children of the deceased *employés*, in active service, have a right to one-half of this pension. It is only one-fourth part if the widow not remarried has not any child under five years of age; if there are several children under this age the pension can be augmented for each child by the twentieth part of what would be paid to the deceased. If the widow die before her children have attained the age of five years, the pension reverts to her children, who share it equally until the age of fifteen years, but without reverting from one to the other. If the *employés* do not leave widows, but only orphans, it can be appropriated to their assistance until they have attained the age of fifteen years. The quota for each is fixed at a moiety of what would have been accorded to their mother had she survived her husband. But the pension accorded to all the children together cannot exceed the moiety of what their father would have enjoyed, or to which he would have been entitled.

Such are the principal rules by which the Bank of France and its branches are regulated.

There remains yet an improvement introduced into the Bank to be noticed. In 1853 it formed a *caisse* for the deposit of title deeds and other securities for the benefit of the public; but the labor in this department so greatly increased during the year 1856 that the directors, in their report, state they have been obliged to double their charges, and that the number of deposits was 1,100,000 of the estimated value of £40,000,000 setrling.

To enter into the minute details of the financial operations of the Bank of France would occupy more space than can be here devoted to that purpose. The Report of the Committee to the Chamber of Deputies in 1840, to which

we have referred, has appended to it a very elaborate account of the Bank operations from its commencement to the close of 1839, which shews that its prosperity has progressed with the increased wealth of France.

During this period the *maximum* fluctuation of the coin was from 10,282,000f. in the year 1800, to 298,208,000f. in 1838; and the *minimum* from 1,136,000f. in 1805, to 235,003,000f. in 1838.

The *maximum* of the notes in circulation fluctuated from 23,450,500f. in 1800, to 258,104,500f. in 1832; and the *minimum* from 8,766,500f. in 1800, to 212,385,000f. in 1830. During this period the amount of coin experienced great reductions; from 1811 to 1813 the *maximum* amount held was reduced from 124,235,000f. to 38,999,000f.; and in 1814, the *minimum* amount held declined to 5,537,000f. It was not until 1818 that the Bank appears to have recovered from the effects of the Revolutionary period in its increase of specie.

From 1800 to 1839 the total amount of commercial bills discounted amounted to the sum of 16,582,759,500f., or £663,310,380, giving an average of £17,007,958 for each year; the fluctuations, however, were very great; in 1805 they reached the sum of 530,374,600f., or £21,214,984, an immense sum at that time. In the following year they were reduced to 204,333,000f., and in 1814 to 68,750,700f.; but in this and the preceding year, the advances to the Government exceeded a thousand million francs, or £40,000,000 sterling.

Since 1839, the Bank has made great progress; and its assistance to commerce has been very greatly extended. For the Statistics of the Bank and the last annual Report, see APPENDIX.

Société Générale du Credit Mobilier.—This Society, as its name implies, was founded for the purpose of operating upon moveable or transferable credits and securities, and has, from the principles upon which it has been founded, as well as by the extent of its financial operations, attracted the attention of the principal financiers throughout Europe; but before entering upon an analysis of its operations, it will be desirable to give a brief outline of its fundamental principles. This institution was established in 1852, by a decree of the President of the Republic, dated the 18th of November in that year. The concession was granted for 99 years. The capital was fixed at 60,000,000f., or £2,400,000, divided into 120,000 shares of 500f., or £20 each to bearer. The Society is formed under the *anonyme* partnership law of France.* The administration is vested in a Council composed of fifteen members; an Executive Council is formed of five Administrators, who are charged with the execution of the decisions of the Council. The ordinary general meeting takes place in April in each year, and is composed of 200 members, who are the largest shareholders; and no meeting can be valid unless forty members, at least, are present, representing *one-tenth* part of the capital. The number of votes assigned to each member is equal to the multiples of *forty* shares, but the highest number of votes cannot exceed five. The financial year of the Society terminates on the 31st day of December in each

* *Société Anonyme* is a form of partnership in France, in which the names of the respective shareholders do not appear, and can only be formed by a public act of the State. *Code de Commerce*, Liv. i. Titre 3. Art. 29 & 40 of *Code Napoleon*.

year. The net profits are divided as follows:—1. Five per cent. on the share capital. 2. Five per cent. to the reserve fund, which is restricted to £80,000. 3. One-tenth of the surplus to be divided amongst the Administrators, and the other *nine-tenths* amongst the shareholders as further dividend. The Administration is composed of several of the most influential speculators in Paris, at the head of whom is M. Isaac Pereire, the President.

The operations which the Society have set out in their Rules are as follow under the 5th Article:—

The operations of the Society consist:—1. To subscribe to or acquire public securities, shares, or obligations in various industrial enterprises or of credit, and especially in railways, canals, mines, and other public works already established, or to be established. 2. To issue for a sum equal to that which is employed for these subscriptions and purchases, the obligations of the Society itself. 3. To sell, or give as security for all moneys borrowed, all securities, shares, and obligations acquired by the Society, and to exchange them against other values. 4. To tender for all loans, to grant and realize them, as well as all enterprises for public works. 5. To loan on public securities, upon deposits of shares and obligations; and to open credits on accounts current upon the deposits of different kinds of values. 6. To receive sums in account current. 7. To undertake the collection of monies on account of public companies; to pay their coupons of interest or dividends, and perform all other kinds of banking business generally. 8. To open a bank for the deposit of all the securities in these enterprises.

By Art. 6, every other operation is expressly interdicted. It is expressly understood that the Society shall never undertake sales for a fall (*à decouvert*), nor purchase for a rise.

Art. 7. Until the complete issue of the shares representing the capital paid up, the *obligations* created cannot exceed *five* times the capital, (that would be £12,000,000.) After the issue of all the shares representing the capital, the *obligations* are permitted to *ten* times the capital, or £24,000,000; they must always be represented in their total amount by public securities, shares, and obligations existing in the portfolio; and they cannot be created payable at a shorter date than 45 days after date, or sight.

Art. 8. The amount of accumulated sums received on accounts current, and the obligations created, payable *at less than one year after date*, cannot exceed twice the amount of paid-up capital.

On the announcement of the Society in 1852, it was accompanied by the following exposition of its objects:—

"The Bank of France obtains the greatest part of the funds which it employs by the issue of notes to bearer, payable on demand. It is in consequence of this obligation of constant repayment, that the Bank can only undertake investments essentially temporary, in order that it may have its funds within its command at a short period.

"It results from this constitution of Banks of Discount, that such institutions, which, under ordinary circumstances, are of the greatest utility, become powerless in moments of difficulty. They augment the intensity of crises by the necessity under which they are placed, of diminishing their credits at a moment when credits are the most necessary.

"But such, nevertheless, is the utility of these establishments, that we may endure their inconveniences, in consideration of the considerable advantages which they afford.

"The *Société Générale* has a mission entirely different from that of Banks of Discount, and its constitution will not present any of the inconveniences inherent in that form of credit.

"The *Société Générale* will promote industry by way of *commandite*, by taking shares or bonds in the principal companies constituted *en société anonyme*, and particularly in such as have for their object the execution of public works.

"It will contribute, also, to the formation of the fixed capital even of leading companies, in contrast to Banks of Discount, which furnish only, under precarious heads, but a portion of the floating funds of industry.

"The superiority of the constitution of the *Société Générale* consists in the scheme

which it includes for the *emission of obligations at long term*, in such a manner that the repayment of the obligations will proceed *pari passu* with the redemption of the shares and bonds which the Society will hold in its portfolio.

"The Society will also issue obligations at less than a year of term *(d'echeance)*; but the amount of these obligations will be held in sufficient restraint, and will be in relation with current business.

"The *Société Générale* will have, consequently, nothing to fear from political, industrial, or commercial crises. On the contrary, we may affirm that it is at those conjunctures when it will be able to render the greatest services; for, being the representative of a considerable number of enterprises, the character of a company of assurance which it presents will secure to its obligations preference over all other particular investments.

"The *Société Générale* will perform the office of an intermediare between capitalists and industry; and it will obtain from the first the security which is only given them now by a reduction of the rate of interest, which is produced by the employment of their funds.

"This new Bank will put an end to the onerous conditions commonly exacted at present for definite investments in industry; just as ordinary Banks of Discount have caused to cease the abuses of usury in the discount of the paper of commerce.

"Independently of this character of a *Banque Industrielle*, which will distinguish the Society, the Society will also, like the Bank of France, undertake loans on public stocks and on shares; but these analogous operations, far from interfering with the Bank of France, will be eminently favourable to that establishment; for the *Société Générale* will make its advances in the form known on the Bourse by the title of *reports*.* It will lend, through the medium, and with the guarantee of the stock brokers *(agents de change)*, the *whole of the value of public funds on shares*; while the Bank of France lends no more than a portion. The Society will make larger advances to the public than the Bank of France, and it will then be in a position to borrow from the Bank of France on the deposit of the same securities.

"The gains of the Society will consist in the difference of interest between the rate at which it lends to the public, and the rate at which it borrows of the Bank.

"In placing itself as the *intermediare* between the class of borrowers, and the Bank of France as the lender, the Society will be able to render great services, on the one side, to the holders of public stocks and shares; and, on the other, to the Bank of France. The Society will, by these means, augment the usefulness of the Bank—an establishment which, during fifty years, has rendered great services to the country.

"In fact, by means of the funds of which it will have the disposal, the Society will be able to reduce the rate paid for *reports*—a rate which, during two or three months, has amounted from 15 to 25 per cent., and has even exceeded 50 per cent., on the best securities. Such a state of things calls for an immediate remedy; and there can be no remedy so efficacious as the establishment of this new Society.

"As regards the Bank of France, the institution of this new Society will permit it to augment, without any risk, the mass of its loans, and to do so without exceeding those rules of high prudence which have constantly presided in its management.

"For all that class of operations which have great importance in connection with the maintenance and development of public credit and public affairs, the *Société Générale* will act as a branch (*succursale*) of the Bank of France—just as the Discount Bank acts as an adjunct for the discount of commercial paper.

"The Society will co-operate in the contracts for public loans, and will thus render great services to the State in introducing an element of competition into a field where no such competition at present exists."

A great variety of opinions has been expressed upon the objects and operations of this Society; some of them regarding it as a vast piece of financial machinery, that must, in the event of any crisis, collapse with terrible effect; while others have viewed it as giving life and energy to commercial and indus-

* *Reports* signify "continuations" paid on stock and shares from one account day to another on the *Bourse*.

trial enterprise. It is certain that its financial results for the last two years have been of an extraordinary character. The dividend in 1855 was 40 per cent., and by the last Report it was 23 per cent.

The principal operations in which the Credit Mobilier has been engaged are as follow:—The loans contracted by the Government during the war against Russia; the loan of 30,000,000f. by the Grand Central Railway Company; advances made upon the East and South Company; exchanging the obligations issued by the new Company of the West against the shares of the old Company; it has guaranteed the investment of obligations remaining disposable after the exchange, and become the purchaser of 65,000 obligations, representing 18,000,000f.; it has taken upon itself the issue of a loan to the Austrian Railway Company, composed of 300,000 obligations at the rate of 275f. or £11 each, and representing a sum of 82,500,000f. or £3,300,000; it has also engaged in many other railway enterprises, home and foreign; in mining, gas, and canal companies; in the Omnibus Company of Paris, the General Maritime Company; and also in establishing a Credit Mobilier at Madrid.

The following is an abstract from the last Report of the accounts of the Company to December 31st, 1856, to which is added a statement shewing the result of its operations in each year from 1853 to 1856:—

		Francs.	c.	£
Capital of the Company		60,000,000	0	2,400,000
Accounts current and Bonds		101,008,217	34	4,040,328
Bills payable to different creditors, &c.		326,164	97	13,046
Dividends in arrear		951,475	35	38,059
Reserve		2,000,000	0	80,000
Settlement of profits, deducting interest of 5 per cent. of the capital, and the sum placed to the Reserve		12,030,869	56	481,234
Total liabilities		176,316,727	22	£7,052,669
These liabilities are thus represented:—				
1. In Rentes	9,100,498 60			
2. In Shares	53,080,780 89			
3. In Bonds	29,883,585 50			
		92,064,864	99	3,682,594
In Investments in different securities in "Reports," and advances on shares and bonds		75,780,028	82	3,031,201
Landed property of the Company, including the expenses of enlargement, paid during the year		1,336,401	34	53,456
The cash disposable, either in hand or in the Bank, and amount of dividends to be received on 31st December last		7,135,432	7	285,417
		176,316,727	22	£7,052,669

The profit and loss account is thus presented:—

Investments in Rentes, Shares, and obligations yielded a profit of		11,436,572 61	457,463
Commissions and interest, deducting interest paid on accounts current		1,481,778 66	59,271
Produce of the "Reports"		4,257,736 55	170,309
Produce of the "*Caisse des Depôts*"		39,225 20	1,569
Settlement of the year 1855		1,111 19	44
Total of gross profits in 1856		17,216,424 21	£688,656
From which deduct:—			
General expenses, expenses of management, taxes, insurance, &c.	540,829 78		
Surveys, printing, advertisements, and supplies	222,809 24		
Gratuities and charitable contributions	162,519 35		
Depreciation of investments calculated on the price of the 31st December	1,040,284 2	1,966,442 39	78,657
Total net profit		15,249,981 82	609,999
From the net profit deduct the interest of 5 per cent. on all the capital, or 25f. per share, which have already been paid		3,000,000 0	120,000
Leaving a balance of		12,249,981 82	489,999
Which is thus appropriated:—			
Amount carried to the Reserve		219,112 26	8,764
Ten per cent. to the Directors		1,200,000 0	48,000
Dividend over and above the interest at 90f. per share, payable on the 1st of July next		10,800,000 0	432,000
Balance carried forward to 1857		30,869 56	1,234
		12,249,981 82	£489,999

The above dividend of 90 francs per share, added to the interest of 5 per cent., or 25f. per share, makes a total dividend on the capital of the Company of 115 francs per share, or 23 per cent. on the total amount. We find on comparing this result with the report of last year, that the dividend has very considerably diminished, the causes of which have been explained in the report. The total amount of gross profits in 1855 amounted to 31,870,776f. 46c., against 17,216,424f. 21c. in 1856, shewing a diminution of 14,654,352f. 25c., and the net profits to 28,082,001f. 39c., against 15,249,981f. 82c. in 1856, being a diminution of 12,842,019f. 57c.

The following statement shews the gross amount of profits, and their appro-

priation in each year since the origin of the association, with the expenses and liabilities:—

	1853. Francs. c.	1854. Francs. c.	1855. Francs. c.	1856. Francs. c.
Gross profits	7,582,722 96	10,335,040 28	31,870,776 46	17,216,424 21
General expenses	2,158,561 69	2,555,477 21	3,788,775 7*	1,966,442 39
Net profits	5,424,161 27	7,779,563 7	28,082,001 39	15,249,981 82
Liabilities	126,878,452 88	133,291,848 76	192,567,708 36	176,316,727,22
or,	£5,075,138	£5,331,674	£7,702,708	£7,052,669

Net profits distributed as follows:—

Interest at 5 per cent. on shares	1,830,000 0	3,000,000 0	3,000,000 0	3,000,000 0
Dividend on shares ..	3,000,000 0	4,080,000 0	21,444,000 0	10,800,000 0
Reserve	179,708 5	241,228 64	1,254,100 7	219,112 26
For management	341,445 32	458,334 43	2,382,790 13	1,200,000 0
Balance carr. forward	73,007 90	.....	1,111 19	30,869 56
Total as above	5,424,161 27	7,779,563 7	28,082,001 39	15,249,981 82
or,	£216,966	£311,182	£1,123,280	£609,999

The financial operations enumerated in the report comprise, amongst others, the extent of its assistance to the Government under the recent loans contracted during the war against Russia in 1855. To the loan of 780,000,000f., or £31,200,000, the association subscribed 250,000,000f., or £10,000,000. It also purchased during the year 1,849,885f. of *Rente;* and in one instance its operations on the Bourse in support of the market amounted to 90,000,000f., or £3,600,000; and during the first nine months of that year the monthly average was 44,000,000f., or £1,760,000.

The amount of credits opened to the railway companies during the last year, amounted to 38,000,000f., or £1,520,000; and its "continuations" upon Rentes and Shares amounted to 703,000,000f., or £28,120,000.

During the most critical period of 1856, when the money markets of London and Paris were greatly pressed, the association, in co-operation with several foreign houses, purchased the Rentes held by the Bank of France, so as to furnish means for it to increase its metallic reserve, and to continue its advances on Rentes and railway shares; and further to support the railway companies in their demand for loans, the association proposed to subscribe 300,000,000f., or £12,000,000; and on condition that the other banking houses of Paris subscribed 100,000,000f., agreed to subscribe on its own account 200,000,000f., or £8,000,000; this proposition, though not accepted, served to allay the uneasiness then prevailing.

Crédit Foncier de France.—This Society was founded in 1852, under an Imperial Decree, dated the 28th of February in that year. Its original title was *Foncière de Paris*, or the *Land Bank of Paris.* The capital was at first 25,000,000f., or £1,000,000, divided into 50,000 shares of 500f. each;

* The expenses this year included a loss of 500,000 francs on the purchases of corn, and an extraordinary sinking fund on the land account of the Company.

20,000 shares were to be subscribed before the Society could be definitively constituted, and the remaining 30,000 were to be issued in proportion to the demands of the Society, in such a manner that the guarantee funds were maintained in the proportion, at least, 5,000,000 for each 100,000,000 issued in obligations. In December, 1852, the Society was changed to its present name, and its operations, which were at first confined to the seven departments within the jurisdiction of the Court of Appeal at Paris, were extended to all the departments of France, and it now forms a central establishment for obtaining loans on landed property throughout the whole of France; it was also authorized to increase its capital to 60,000,000f., or £2,000,000, divided into 120,000 shares; independently of the 20,000 shares subscribed by the *Banque Foncière*, 30,000 shares were, moreover, to be still appropriated to the *Crédit Foncier*. Besides this regulation, Government granted the power in the course of one year to issue 10,000 more, from the 10th of December, 1852, representing a capital of 5,000,000f. The *Crédit Foncier* made use of this privilege, and issued 10,000 shares, forming a total of 60,000 shares. By the decree of the 10th December, 1852, Art. 3, a subvention of 10,000,000f. was accorded to the *Crédit Foncier de France*, to be deposited proportionally according to the importance of the loans effected. The statutes of the Society as fixed by the decree of the 10th of December, 1852, are thus detailed in regard to the operations of the Society :—

Art. 2. The Society has for its object: 1. To lend upon mortgage to the proprietors of land, in the departments where a *Crédit Foncier* does not exist, and in those in which the *Crédit Foncier de France* has been incorporated, by the consent of Government, sums repayable by the borrowers by means of annuities, comprising the interest, the sinking fund, as well as the cost of negociation. 2. To apply, with the authority of Government, every other system, having for its object the facility of loans upon land, and the liberation of the debtors. 3. To create for an equal value to its mortgage engagements, obligations producing an annual interest, reimbursable by way of drawings, with or without prizes and premiums, bearing the title of *Obligations Foncières*. 4. To negociate these obligations. 5. To receive in deposit, *without interest*, sums intended to be converted into these *Obligations Foncières*.

Art. 65. The property not permitted to partake of the advantages of the Society are: 1. Theatres. 2. Mines and Quarries. 3. Lands undivided, if the mortgage is not established upon the whole quantity by the consent of all the co-proprietors. 4. Those lands, of which the profitable and uncultivated property is not united, at least by the consent of all persons entitled to mortgage.

Art. 67. The total amount of the loan cannot exceed one moiety of the property mortgaged. It will advance at the most but one-third of the value of property planted in vines or in wood. Buildings for warehouses and for manufactures can only be estimated at their actual value, independently of their mercantile value. In any case, the annuity for the service for which the loan is borrowed cannot be superior to the whole revenue of the property.

Art. 68. The maximum sum lent to one borrower cannot exceed 1,000,000f., or £40,000, nor be less than 300f., or £12.

Art. 70. The borrower contracts with the Society the obligation of discharging the debt by annuities, *payable in specie*, in such a manner that he may extinguish it in twenty years or less, or in fifty years or more.

Art. 71. The annuity comprises: 1. The interest. 2. The sinking fund, calculated upon the rate of interest and the duration of the loan; and an annual allowance of 60 centimes per 100f. for expenses of administration.

Art. 72. The annuities are payable half-yearly, on the 30th of June and the 31st of

December in each year. At the time of granting the loan the Company deducts from the capital the interest on the first half-year.

Art. 74. In default of payment for one half-year, the borrower becomes liable for the whole amount one month after it becomes due.

Art. 75. The borrowers have the right to discharge their liability by anticipation, in whole or in part. The reimbursement may be effected, at the option of the borrower, either in money or in *obligations* of the Company, of the same nature as the bonds issued by the loan contracted. These obligations are received at par, and must be immediately cancelled. There is an especial account taken of it in the books of the Society, of the manner in which the numbers form a part of a successive series. The anticipated payments yield a profit to the Company, and an indemnity, which cannot exceed 3 per cent. of the capital reimbursed by anticipation.

Art. 81. Every proprietor, who desires to contract a loan, must produce: 1. His title deeds of the property. 2. A certified copy of the cadastral register. 3. Or the state of locations, with information respecting the produce, and remuneration paid in advance.* 4. A declaration, signed by him, of the revenue and outgoings. 5. The cost of contributions for the current year, or of the last year. 6. The policy of insurance against fire. 7. A proof of the situation of the mortgagor. 8. A declaration of his civil capacity, if he be married, or a trustee.

Art. 82. After the examination of the above documents the Council of Administration proceeds to an estimate of the property offered as a guarantee.

Art. 83. The value of land is made upon the twofold basis of net revenue and the vendible price.

Art. 84. When the Council of Administration has fixed upon the regularity of the property and the security of the pledge, it determines the proportion of loan it will make, and proceeds to the performance of the conditional contract conformably to the Statutes of the Society.

Art. 85. After the formalities of examination, prescribed by the decree of February 28, 1852, a deed is prepared after the conditional contract, which renders it void, or definitively realized. In the first case, it is signed by the Society only, and contains the replevin of the inscription placed to its profit; in the second case, the deed is signed by the Society and the borrower; it dispenses with all formalities, remits the money which forms the amount of the loan, and here their interests close.

Art. 86. The costs of the contract of the loan, by the definitive deed, and of the examination, are charged to the borrower. The charge of the conditional contract of the mortgage inscription, of examination of the deed annulling the conditional contract, and of erasing the inscription, are in every case charged to the borrower.

Art. 89. The value of the obligations is from 1,000 francs, but they can be subdivided into *coupures* or parts, the least of which is 100 francs.

Art. 90. These obligations bear an annual interest, the rate of which is fixed by the Council of Administration at the time of their creation; this interest is payable half-yearly. The interest between the deposit of the annuities by the borrowers and the payment of interest to the bearers of the obligations must be at least three months.

Art. 93. The *obligations* are to bearer.

Art. 95. The obligations are classed in series, of which each comprehends all those created with the same rate of interest. No date is fixed for the repayment of the capital; but the obligations are repayable by way of drawings, which take place half-yearly or annually; each drawing comprehends the number of obligations necessary to secure the redemption of the obligations in the same time as that of the capital.

Art. 96. The sums paid by the borrowers, in the shape of a sinking fund, are applied to the series which makes a portion of the obligations issued, and which represent the loans they have contracted.

In order to recover the sums due on these bonds, the decree has instituted

* In France the system of letting land known as *metayer* rents is very prevalent; by which the owner of the property provides a certain portion of stock and working materials for the tenant, and shares a portion of the profits in addition to the rent paid.

special laws, by which summary proceedings can be taken; the following are the principal :—

Art. 26. The judges cannot grant any delay in the payment of the annuities.

Art. 27. This payment cannot be averted by any opposition.

Art. 28. Annuities not paid when due, July 28, 1857, give full power to the Society to claim the total sum, and the borrower can be proceeded against by the Society by the sequestration and sale of his lands, under the conditions prescribed in the following articles :—

Art. 29. In case of delay by the debtors, the Society can, by virtue of an *ordonnance* rendered by the President of the Civil Tribunal in the first instance, and fifteen days after the claim becomes due, take possession of the mortgaged property, at the cost and risk of the debtor.

Art. 30. Pending the time of sequestration, the Society can receive, notwithstanding any opposition or seizure, any revenues or crops, and apply them to the discharge of the annuities and costs. This privilege takes precedence immediately after those attached to the cost of cultivation, labour, and seed, and the right of the Treasury to recover taxes.

The first issues of the *Crédit Foncier* date from December, 1852. At this period 200,000 titles of 1,000f. at 3 per cent. were created under the name of *Promesses d'Obligations Foncières.* These 200,000 titles, of which a great many were immediately discharged for 200f., were then placed in a lottery to be opened four times in a year for fifty years from the 22nd of March, 1853; the object of this operation is to establish lottery drawings; at each drawing the *first* number drawn of each series gains the highest prize. The total sum set apart for these prizes, in 1856, amounted to 170,000f., or £6,800, divided thus: to the drawer of the first number 100,000f., or £4,000; for the second number 50,000f., or £2,000; and for the third, 20,000f., or £800.

The following prizes were awarded at the quarterly drawings on the 22nd of March, the 22nd of June, and the 22nd of September, 1856 :—

For the 1st number	100,000	francs.
,, 2nd ditto	50,000	,,
,, 3rd ditto	20,000	,,
Total....	170,000	,,

The same amount was awarded for each of the first three months of the year; but at the fourth drawing, on the 22nd of December, the following amounts were appropriated :—

For the 1st number	100,000	francs.
,, 2nd ditto	50,000	,,
,, 3rd ditto	40,000	,,
,, 4th ditto	30,000	,,
,, 5th ditto	20,000	,,
,, 6th ditto	10,000	,,

and for the eight numbers following, 5,000f. each, making the total sum per annum 800,000f., or £32,000.

The bonds thus drawn are of various kinds, and bear different rates of interest; at first, only those of 1,000f. at 3 per cent. interest were created; but it has others issued at 4 per cent.; it has created *coupures* in sums of 1,000f., 500f., and 100f. of 4 per cent. If two obligations of 500f., *coupures* of an obligation of 1,000f., be held by the same person, if they bear the same

number, they can each gain a prize of 50,000f.; but if not possessed by the same person, the prize is divided. The obligations of 500f. at 3 per cent. are reimbursed at a premium of 20 per cent.: with regard to the *coupures* of 100f. at three per cent., or one- tenth of an obligation for 1,000f., or one-fifth of an obligation of 500f., they can gain a prize of 10,000f., and are reimbursed with a premium of 20 per cent., or 600f. The obligations of 500f., at 4 per cent. interest, entirely liberated, are reimbursable without premium, have a right to one moiety of the 100,000f.; and two persons holding the same number can gain the like sum. The obligations of 100f., at 4 per cent., have a right to one-tenth as a prize, but to no premium with the reimbursement.

The original rate at which the annuities were fixed for redeeming the loan was 5f. 95c., but several changes have since been adopted by the Society, which are as follow:—

	1st.		2nd.		3rd.		4th.	
	f.	c.	f.	c.	f.	c.	f.	c.
Rate of Interest	5	0	3	70	4	25	4	51
Sinking Fund	0	46.2376	0	70.4332	0	59.1220	0	54.3414
Administration	0	48.7624	0	70.5668	0	60.0000	0	59.6586
	5	95.0000	5	0.0000	5	44.1220	5	65.0000

It was upon the above conditions that the Society granted loans in 1852, 1853, and 1854, to the amount of 54,337,800f., or £2,173,512, divided as follows:—

From November 26 to December 31, 1852	5 loans for	753,000f.
In 1853	301 ditto	25,966,100f.
In 1854	520 ditto	27,618,700f.
Total		54,337,800f.

The following is a statement of the loans effected by the Society to the 31st December, 1854:—

No.		Francs.		Francs.
11	Loans from	500,000	to	1,000,000
9	,,	400,000	,,	500,000
6	,,	300,000	,,	400,000
22	,,	200,000	,,	300,000
79	,,	100,000	,,	200,000
33	,,	90,000	,,	100,000
11	,,	80,000	,,	90,000
31	,,	70,000	,,	80,000
20	,,	60,000	,,	70,000
39	,,	50,000	,,	60,000
66	,,	40,000	,,	50,000
69	,,	30,000	,,	40,000
78	,,	20,000	,,	30,000
136	,,	10,000	,,	20,000
216	,,	300	,,	10,000
826				

Of the above sum of 54,337,800f., 2,432,636f. were reimbursed by anticipation, and the sinking fund was relieved by 191,833f., reducing the amount of

capital due by the debtors to the 31st of December, 1854, to 51,713,328f. From the same date these loans, reduced to a uniform period of forty-nine years, will pay to the Society an average annuity of 5f. 43c. per 100f.

In 1855, the loans effected amounted to 66,903,550f., of which 4,684,618f. were reimbursed by way of annuities, or by anticipation in money or in bonds; the amount redeemed by anticipation was 4,072,195f., and by annuities 612,423f.

The following shews the number of loans effected from the commencement in 1852, to the end of 1855, their total amount, and the annuities payable thereon :—

	No.	Loans. f.	Annuities. f.	c.
From March 26, 1852, to December 31, 1853 ..	306 ..	26,719,100	1,369,962	94
In 1854	519 ..	27,613,700	1,692,646	22
In 1855	294 ..	12,570,750	799,536	04
Total....	1,119	66,903,550	3,862,145	20

The following is a summary of the operations of the Society in each year to December 31, 1855 :—

	1853. f.	c.	1854. f.	c.	1855. f.	c.
Gross Profits	2,536,962	66	3,939,293	47	4,402,270	29
Expenses, including interest paid to shareholders	1,387,304	10	3,127,295	25	3,694,563	04
Net Profits	1,149,658	56	811,998	22	707,707	25
Divided thus :—						
Dividend of 5f. per share, or 7 per cent.	263,195	0	263,445	0	263,445	0
Reserve	75,000	0	68,121	60	85,583	45
Provident Fund	811,463	56	480,431	62	358,678	80
	1,149,658	56	811,998	22	707,707	25
	or £45,986		£32,480		£28,308	

The Bank of Discount at Paris.—The *Comptoir d'Escompte*, or Discount Bank at Paris, had its origin in the financial crisis in 1848, when a great number of the Paris bankers suspended payment. The effects of this crisis were so extensive that the Provisional Government, by a decree of the 7th March, 1848, created discount banks in all the industrial and commercial towns of the kingdom; these banks were to be formed by an *anonyme* partnership, and on the following principles :—the capital to consist of *one-third* in silver, by the subscribers to the company; *one-third* in obligations of the towns, where the banks were established, and *one-third* in Treasury Bonds; the two latter, which were simple guarantees, to be deposited in the bank. On the 16th of March, 1848, the state opened a credit of 16,000,000f. to aid these establishments, which were applied to sixty-five towns. By a decree of the 7th of March, 1848, the *Comptoir de Paris* was established with a capital of 20,000,000f. On the 10th of March the deed of the Society and the statutes were received by the approbation of the Council of the State; on the 15th the capital imposed by the statutes was subscribed, and on the 18th of

March the Bank commenced operations, when the specie it possessed amounted to 2,587,000f., of which 1,000,000f. were supplied by the State, and 1,587,000f. by the subscribers. To complete its capital the Company had recourse to the plan of retaining 5 per cent. on the notes and securities discounted by the Society, and when the sum thus retained amounted to 500f. it was converted into a share, and remitted in this form to the client from whom it had been levied. The Company obtained by this means about 1,242,000f., which, with another million obtained from the State, increased its capital to 4,829,000f. by the month of August in the same year.

In July, 1854, the Bank was reorganized by an Imperial decree. At first it could only discount commercial bills bearing two signatures, but its operations have since been greatly extended, of which the following are the principal :—

1. To discount commercial bills of the departments payable at Paris, and also foreign bills; engagements payable to the order of the *Sous Comptoirs de Garantie** created near to Paris; bills to order accompanied by receipts of merchandize deposited in the general magazines agreed to by the State, and in general all sorts of engagements to orders, and at a term (*échéance*). The *Comptoir* cannot discount any commercial bills except they bear two signatures at the least, and the term cannot exceed one hundred and five days, for bills payable at Paris, and sixty days for bills payable in the departments. For bills upon the departments the term can be extended to ninety days, but only to paper payable at the places where there is a branch bank of the Bank of France. No paper can be discounted having less than five days to run. One of the two signatures required must be supported by a receipt for merchandize, deposited in the public magazine, conformably to the decree of the 21st and 23rd March, 1848. In this case the term cannot exceed ninety days, and the proportion of money advanced cannot exceed *three-fourths* of the *net value* of the merchandize deposited: the debtor has the right to liberate himself by anticipation, and by being liable for the interest for the time the bill has to run, subject to a deduction of a bonus of ten days, from the profit of the Company.

2. To make advances on French *Rentes*, shares, or obligations in industrial enterprises or of credit, constituted as French *Anonyme* Societies, but only to the extent of *two-thirds* of the market value of such securities, and for not more than ninety days, and that the total never exceeds the paid-up capital, and a moiety of the reserve.

3. To undertake all payments and recoveries of monies at Paris, in the departments, and for the foreigner; to furnish and accept all orders, agreements, and bills of exchange of which the security has been previously given, whether in merchandize, in specie, or in value agreed to by the Council of Discount, to recover all arrears of *Rentes*, or interests and dividend upon shares on purchase or sale for a third party, for a commission agreed upon, and every species of public securities, and industrial values.

4. To open subscriptions to public or other loans, and for the realization of all *anonyme* Societies, but always for the account of the third party, and for a commission agreed upon under this reserve, that in the case of any subscription for loans or foreign funds, or for the realization of foreign companies, it can only be done by the authority of the Minister of Finances.

5. To receive in account current, to the extent of one-half as much again as its paid-up capital, funds that may be deposited with it, at a rate of interest determined by the Council of Administration; the balance or credit of the accounts current can never surpass the fixed limit.

6. Also to receive in deposit for the purpose of protection all kinds of titles and values.

The rates and conditions of discounts, the recovery of current accounts, and the issuing of agreements or orders are regulated by the Council of Administration. All other operations are formally interdicted.

* See under this head.

The amount of its securities, comprising agreements or covenants to run out, bills in circulation with the endorsement or guarantee of the Company, must never exceed *six times* the capital paid up. The accounts are published monthly in the journals of legal notices of the department of the *Seine*, showing the position of the Society, independently of the balance-sheet, and the amount of securities in circulation endorsed or guaranteed by the institution.

The administration is vested in a Council, composed of a manager, sub-manager, and fifteen members chosen from among the shareholders. The management of the Council is also surveyed by a committee of three censors; the directors and the censors are named by the general meeting. On entering upon his duties, each director must deposit, as a security for his good faith, twenty shares, which cannot be alienated during the time he is in office. Three of the directors retire each year, and one of the censors; but they are each re-eligible indefinitely. The directors and censors at each meeting receive a check of their attendance, of which the value is fixed by the general meeting of shareholders.

The manager and sub-manager are named by the general meeting on the presentation from the Council General of Administration; their remuneration is submitted to the Minister of Finances. They must each be the proprietors of forty shares entirely free, which must be deposited in the Bank, as security for their good faith.

The Council, composed of the manager and the directors, is invested with the fullest powers of the administration, and can authorize, within the limits of the statutes, all the operations of the Society, as well as fix the rates of discount, determine the conditions, and the sums to be employed for that purpose, and control the accounts current. It also determines the employment of the reserve, and renders an account of the financial position of the Company every year at the general meeting.

The censors, who do not assist in the deliberations of the Council, but have only a consultative voice, are specially engaged to a strict observance of the statutes, and their control is exercised over every part of the Administration.

The Council of Administration is assisted by a Council of Discount, composed specially of men of commercial experience. The members are named by the Council of Administration, which determines the number; the two members of the Council of Administration of the service make part of the Council of Discount, which meets every day without an interval.

The general meeting is composed of all the shareholders possessing at least ten shares. To have the right to attend a general meeting, these shares must be deposited five days before at the office of the Society. The general meeting is held each year in the month of July. The deliberations are passed by a majority of votes. The holder of ten shares has *one* vote, and so on for every ten shares, but no shareholder can have more than ten votes. In the ordinary annual meetings, the general meeting hears the report of the Council of Administration upon the operations of the Society, and its actual position, as well as the report of the censors; it also discusses and determines the accounts.

Every six months the accounts and the books of the Society are examined and balanced, and a dividend arising from the net profits is divided amongst

the shareholders; when the profits for the six months amount to more than 2 per cent. on the paid-up capital, one-fourth part of the excess is placed to the reserve, and the remainder is divided amongst the shareholders. If the profits be not sufficient to meet the half-yearly dividend of 2 per cent. on the capital, it is made up from the reserve before the distribution is made. At the end of each month the Society publishes a statement, shewing its financial position. The dividends are payable in February and August.

The nominal capital of the Society was originally fixed at 20,000,000f., but it commenced operations with only 2,587,000f., including 1,000,000f. supplied by the State. In 1853 the shareholders subscribed 20,000,000f., which, together with 6,667,000f. in obligations of the City of Paris, and 6,666,500f. in Treasury bonds, made the total capital 33,333,500f.; but at the end of 1854, the guarantees of the City of Paris and the Treasury bonds were suppressed.

At an extraordinary meeting held the 21st February, 1856, the general meeting of the shareholders was authorized to increase the capital to 40,000,000f., the shares to be issued at 550f., the premium to be added to the reserve fund; the object was to give greater facilities to maritime commerce; but the plan was discountenanced by the Minister of Finances, so that the shares were not emitted. The Society has made great progress since its commencement, as may be seen by the following sums discounted in each year, and the deposits in specie:—

	Discounts.* f.	Specie Deposits. f.
1848	93,125,585	2,988,086
1848–9	98,274,293	3,656,937
1849–50	127,976,391	8,269,133
1850–1	195,156,460	14,911,403
1851–2	248,273,558	19,142,341
1852–3	469,539,332	29,320,357
1853–4	583,685,284	20,160,690
1854–5	600,312,041	25,611,762
1855–6	649,882,782	17,560,419

Sous-Comptoirs de Garantie, or Guarantee Companies, were established by decree of the Provisional Government, March 24, 1848; their object was to assist merchants and others, either by direct engagement or by security or endorsement, in obtaining discounts upon titles or commercial bills in the vicinity of the principal comptoirs, and thus act as *intermediaires* or brokers. The funds of these societies are not appropriated to discounts, but are a kind of guarantee for their transactions with the Comptoir-General, where the funds are deposited. The directors are named by the Minister of Finances. These institutions may be regarded as a kind of agents in connection with the Central Society, giving security for the due fulfilment of their operations. The capital of these societies, in 1856, amounted to 3,966,863f. 15c.

* This includes the *sous-comptoirs*.

GREECE.

The National Bank at Athens. In 1821, a Greek Bank was established at Ægina, but such was the condition of the Greek territories that it was not successful, and its affairs were soon afterwards liquidated. The present Bank was established in 1841, and a concession was granted for twenty-five years from the 1st of January, 1842. The capital was fixed at 5,000 drachmas, divided into 5,000 shares of 1,000 drachmas each.* The capital was increased in 1847 to 1,000,000 drachmas, and the amount divided into 6,000 shares. The shares are nominative or to bearer, at the option of the subscriber.

The statutes of the Bank allow it—1. To establish branches in any part of the kingdom. 2. To issue notes, and to enjoy the exclusive right of circulation in the provinces and where the chief office exists. 3. It cannot issue its shares below par. The operations of the Bank consist—1. In discounting bills of exchange and other securities payable in the country, which have not more than three months to run, and bear three solvent signatures, which must be those of merchants residing in Athens, or where the Bank has branches. 2. Advances money on landed property, coin, and bullion. 3. Receives deposits, with or without interest, and opens current accounts on satisfactory security: it also opens current accounts with foreign correspondents, by the consent of the general meeting. 4. It can engage in any operations which do not demand more than half the amount of the reserve fund, and which tend to promote national works and industrial enterprizes in the country. 5. Advances on landed property must not exceed 50 per cent., or half the marketable value: should the property increase in price, a second advance may be obtained upon it in the same proportionate value. 6. Advances upon land are not made for more than twenty years, which are cancelled by half-yearly or annual instalments; but the borrower can discharge the loan in less time by giving one month's notice to that effect, accompanied by a payment of 1 per cent. of the sum to be paid, as a guarantee for its fulfilment, and in case of non-fulfilment, that amount is forfeited. 7. The amount reserved for loans on landed property must not exceed *three-fourths* of the paid-up capital of the Bank. 8. On silver and gold the advances are not to exceed 80 per cent., and for no longer term than *twelve months:* the interest to be paid half-yearly. 9. The interest charged for advances upon landed property, gold, and silver, cannot exceed 10 per cent. per annum, and on bills of exchange 8 per cent., and any change in the rate must be announced by a notice fourteen days previous.

The Bank is allowed to issue notes as low as ten drachmas each, to the amount of 500,000 drachmas. The branch banks are not compelled to redeem any notes but those issued by them; and the bullion in the Bank must never be less than *one-third* of the amount of notes in circulation and the balances of the deposits.

The management is vested in a governor, nine councillors, and a government commissioner. The accounts are balanced at the end of June and

* The *drachma* is equal to about 8¾*d.* sterling.

December, when, if the net profits exceed 3½ per cent. for the six months, 70 per cent. is distributed amongst the shareholders, 20 per cent. placed to the reserve fund, 2½ per cent. to the Directors, and 2½ per cent. to the officers of the Bank. The average profits distributed in dividends have been, for several years, about 8½ per cent. on the paid-up shares.

As the shares are nominative and to bearer, there is some difference in the power of voting conferred upon shareholders up to the number of *five* shares, at the general meetings, which is as follows:—

Nominative Shares.	Shares to Bearer.	Votes.
5	10	1
15	25	2
30	40	3
50	60	4
75	80	5
100	100	6
150	150	7
200	200	8
250	250	9
300	300	10 highest number.

HAMBURG.

The Hambro' Bank.—This bank was established in 1619, and is now exclusively a bank of transfer. The capital, since 1790, has consisted solely of silver bars. Every livery citizen, or any member of the Jewish persuasion who has paid to the Treasury the corresponding cost of a livery citizen (Jews being ordinarily excluded from the privilege) is entitled to open an account with the bank. The bars must be at least 982 millièmes of fine silver in the mark Cologne. He who over-draws his account must pay a fine of 3 per cent. Money to be transferable must remain in the bank at least one night before it is drawn. The opening of an account costs six marks banco, and every folio filled up one and a half mark. The depositors may at any time have their deposits returned (since 1846) without any reduction of the value, viz., marks 12*s.* for every mark Cologne, except 1 per mille for the safe keeping.

Government has the supervision of the bank.

The officials in the bank are bound by oath to secrecy. The board or college consists of five citizens, one of whom retires every year. Formerly the bank advanced at 2 per cent. interest on gold and pledges; but as much as 5 per cent. has been charged since the monetary crisis of 1847-8. The bank also lends money for a certain period on foreign coin, such as Prussian and Sclavonian thaler, Schleswig-Holstein, Danish, and Norwegian specie thaler, and also on French 5 franc pieces.

The Hambro' Bank was founded after the model of that of Amsterdam; but its directors had many difficulties to overcome, particularly with regard to the variety of coins and the coinage system of Germany, in addition to base coin, which the Government scrupled not at that time to issue from their

mints. Money clipping was then so prevalent that payment in coin was hardly a fixed value. At Hamburg, where that evil was most sensibly felt, a remedy was sought in the establishment of a bank in which should be deposited all the existing money in Germany after being properly weighed and assayed. Until 1619 the rix-thaler was variously represented in its integral parts, the specie shillings. In 1530 it represented only 31*s.*, and had generally risen by the year 1619 to 48*s.* The bank, however, succeeded in the year 1662 in fixing the value of the mark banco at 16*s.* and the rix-thaler at 48*s.* All specie thalers were fixed to weigh 14 loth. 4 gr., in the alloy of which the intrinsic should be so that nine thalers should contain one mark fine.

The Bank Directors perceived that however minutely the banco money was weighed and strictly assayed, it did not return to the bank at its full value, after having been in circulation for a short time. The least fraction allowed for wear and tear, supposed to be 5-10ths per mille, would, after 100 short periods of circulation, amount to 5-10ths per cent., by which the whole treasure would be deteriorated. To prevent the loss, it was resolved, first, to put a premium of 1 per mille on specie money against banco, and it is yet customary in some few instances to credit the depositor of 1,000 marks specie for 1,001 marks banco; and, secondly, to deduct 5-8ths of a mark from the amount of a depositor for every 1,000 mark specie he withdraws from the bank, so that by the withdrawal of 1,000 thalers specie the bank is a gainer of 30*s.*

This was the custom until 1769, when the premium alone might, in the course of years, form a capital to the depositor.

Despite, however, this precautionary measure, it was found that the original capital of the bank had deteriorated by at least 4 per cent. The value of the fine rix-thaler had been fixed at 540 Ases troy; but Austria, under Charles VI., professed to have a right to coin the rix-thaler out of 516 Ases. These imperial thalers are still used in the Levantic trade, and were at that time brought to the bank by several influential merchants, who, contrary to precedent, did not refuse receiving them. Millions of such thalers found their way in this manner into the bank, and were returned to the owners as coin of full weight. To diminish the loss, however, a portion of the inferior thalers was mixed with the good whenever a considerable sum was paid out by the bank. The question then arose—Of what standard was the Hamburg banco thaler to be? 540 Ases were considered too much, since few of them were returned into the bank, while 516 were considered too little in exchange for those of full weight: therefore to compromise the matter, the new banco thalers were computed at 528 Ases, which computation still prevails in all places of Europe which are guided by and deal with the Hambro' Bank. Denmark has issued from her mint millions of such thalers, and deposited them in this bank. When Sweden, in 1774, introduced specie money as the coin of the country, she adopted the standard of 528 Ases. The real old Hamburg specie thaler of 540 Ases is now to be had only in the shape of medals; though the Hambro' Bank, not wishing to displease Austria, still professed to adhere, in theory at least, to the legal specie thaler weighing 540 Ases.

In 1763 the bank resolved to return to the owners their foreign coins, and received only bars of refined silver of 15 loth. and 12 gr. (7/5-60ths). Since

that time the real banco thaler has had no existence; its value must be computed from the value of silver, for which the bank credits every depositor of silver bars at 27 marks, 10 schillings (for every mark Cologne fine silver). By this calculation the thaler banco is fixed at an invariable fraction of 24-221 and the mark banco at 8-221 of a Cologne mark of fine silver.

The privacy and secret proceedings of the Hamburg Bank extend to every branch of its operations, and the little that is known is scarcely worth knowing, as it has transpired only by accidental circumstances. The number of folios was, in 1727, 3,100; in the period of war, from 1742 to 1748, it had increased from 4,200 to 5,000; in the years of peace, from 1749 to 1753, it rose to 5,900; but had decreased in the two following years to 5,700. In 1762, in the period of great bill jobbing, it rose to 9,000, and decreased again in 1763 to 8,000. In 1792 it was 12,200; in 1793, 11,600; in 1794, 20,000. Every folio consists of thirty entries.

General Davoust having taken with him, in 1813, the treasure of the bank, the contents were alleged to amount to 7,489,343 marks banco.

In 1842, the year of the great conflagration, it was rumoured that the bank was in possession of 30,000,000 marks.

The Union Bank of Hamburg.—This Bank was established in July, 1856, by eight of the leading mercantile firms in Hamburg, with a subscribed capital of 20,000,000 marcs banco,* divided into 100,000 shares of 200 marcs banco each. The operations are those of ordinary banking. The first general meeting was held on the 8th of September, 1856, when the balance sheet presented liabilities amounting to 2,734,605 marcs banco, of which 2,000,000 marcs banco consisted of paid-up capital. In securities it held bills of exchange on Hamburg discounted 2,156,683 marcs banco; foreign bills discounted; cash balance in banco 550,383 marcs banco; and cash balance currency 5,794. The profits on the Bank operations at the end of the first year were about 8 per cent.

PORTUGAL.

The National Bank at Lisbon was founded in 1822, with a Charter for 20 years, and a capital of 5,000 contos de reis (£1,125,000), in 10,000 shares. It engaged in all sorts of banking affairs, and emitted notes in large sections of 4, 10, 20, and 50 monedas, =19,200, 48,000, 96,000, and 240,000 reis (£5, 12, 24, and £60). In 1828 the Bank suspended payment, and was authorized by decree, 24th July, 1834, to redeem its notes at 80 per cent. of their nominal value.†

That period, so full of financial difficulties, confusion, and bank insolvencies we must pass over, and arrive at the year 1846, when the Bank of Lisbon was united with the "*Company of National Confidence,*" (*Compania Confianca Nacional,*) under the name of *The Bank of Portugal*, and their statutes were promulgated on the 8th January, 1847.

The Charter is granted for 30 years or to the end of 1876.

* The *marc banco* is equal to 1*s.* 6*d.* sterling.

† In Portugal, accounts are kept in *reis*, of which 1,000 are equal to a *milreis*, equal to about 4*s.* 10½*d.* sterling. a *conto* of *reis* is 1,000 *milreis*.

The capital consists of 5,000 contos of the Lisbon Bank,
3,800 „ of the New Company, and
1,200 „ due by the shareholders of the last Company.

Total.....10,000 „ (£2,250,000).

The capital may include for 1,000 contos promissory notes (*notas promessorias*) of the Company, or the capitalized notes of the Bank of Lisbon.

The capital may be lessened by consent of Government.

The *Bank of Portugal* has the right of issuing notes throughout the kingdom.

Every month it was to redeem (or exchange for its own notes) 18 contos of the old notes of the Lisbon Bank.

Until the 30th July, 1847, two-thirds of the notes of the above Bank were to be taken in payment in all public offices at their nominal value; afterwards, only half of them were to be redeemed by the new Bank.

Only the "Commercial Bank" of Oporto has equally the privilege of issuing notes. The treasury must take notes like coin, but that obligation does not devolve on the public creditors. Neither the shares nor the dividends can be attached by creditors. Foreign property in the Bank is inviolable, even in times of war.

Savings' Banks, established by the Bank, have the same privileges (with the exception of issuing of notes) as the Bank itself, and no other establishment of the sort can be authorized by Government.

The Bank can engage in all operations within her province; she may discount, buy and sell bills, drafts, and other commercial paper, bearing, at least, two solvent signatures, and payable after 3 months at the latest. Government funds or Treasury bills may run 12 months without being precluded from the operations of the Bank.

Bills, with two signatures of the Directors of the Bank, are not discountable; neither can security upon property be substituted for inefficient signatures.

The Bank can advance money for a term of 3 months (and for Government, 12 months) four-fifths upon gold and silver, two-thirds upon jewellery, three-fourths upon indestructible goods and wares, two-thirds upon stocks, and half upon Bank shares. Advances upon its own shares must not exceed the tenth part of its capital. The rate of discount is 5 per cent. It can receive deposits in coin and other valuables, in sums less than 100,000 reis (£22 10*s.*) It can establish Branches and Savings' Banks wherever it thinks proper, and issue, besides bank notes payable at sight, also bills, cheques, and bonds, payable at a certain date. The bank notes, payable in gold and silver, are of 20,000 reis and 50,000 reis (£4 10*s.* and £11 5*s.*) each; and those payable in copper and brass, of 25,000 reis (£5 12*s.* 6*d.*) The amount of the total issue of these notes is limited to 5,000 contos (£1,125,000). The Bank is not allowed to engage in insurances or other commercial speculations on its own account.

The profit is divided half-yearly amongst the shareholders. The surplus above 7 per cent. is placed to the reserve fund.

The General Assembly consists of 120 members, 100 of whom must be shareholders of the old Bank, and possessing, at least, shares to the amount of 6 contos (£1,350) in the new Bank, while the other 20 members must be selected from amongst the largest shareholders in the new Bank. The officials of the Bank have no vote. The General Assembly meets regularly once a year, in January, when it elects the Directors for the ensuing year, consisting of one President and eight Directors. Every Director must be a native of Portugal, and possess shares to, at least, 8 contos (£1,800).

By decree of 1850, the new Bank was authorized to diminish its capital to 8,000 contos; and may, by consent of Government, reduce it to 5,000 contos, after the redemption of the bank and promissory notes of the old Banks, which were then represented by the notes of the new Bank. Until 1876 the new Bank has the exclusive privilege of issuing notes in the district of Lisbon, and may establish, under its responsibility, branches and agencies in any part of the kingdom.

The privileges granted (1841) to the *General Company of Wine Cultivators*, those granted (1835) to the *Commercial Bank of Oporto*, and those granted (1824) to the *Bank of Lisbon*, were transferred to the new *Bank of Portugal*. The Bank has to send in once every month to Government a balance-sheet of the circulation of notes and the state of its bullion; and at the end of every year an account of all its transactions during the year. The *General Assembly* is to be reduced to 100 members as soon as the capital is reduced to 5,000 contos.

By law of 19th November, 1846, a special sinking fund was established for the redemption of the various sums lent by the new Bank to the old Bank, to various Corporations, and to Government; the fund to consist of the interests of public stocks, and the revenue of certain States' property transferred to the Bank. After the redemption of those debts, the balance of the sinking fund was to be given up to the State's Treasury. The Protest, however, of the Bank Directors of the 30th September, 1852, complains, that Government had, in violation of all treaties and conventions with the Bank, appropriated to its own use that sinking fund, though the debts due to the Bank amounted to 4,852,244,460 reis (above a £1,000,000), and all the Bank received in return for those funds were *Bonds upon the Treasury*.*

PRUSSIA.

The Bank of Prussia, formerly called the *Royal Bank*, established at Berlin, was founded by Frederick II. in 1765, and endowed with a capital of 8,000,000 thalers,† which was never entirely paid up. The Bank of Prussia did not issue notes, but bank bills of 100 to 1,000 thalers each, which circulated the same as notes until 1836, when it received from the State, paper money against inscriptions of rente.

* For a copy of this Protest, see FOREIGN FUNDS, under *Portugal*.
† The Prussian *thaler* is equal to about 2*s.* 11*d.* sterling.

By a Decree of the 18th of April, 1846, the old Bank went into liquidation, and the new *Bank of Prussia* was established. This institution embraced a wider field of operations, and one of its objects was to encourage the circulation of silver, assist trade and commerce, and to lower the rate of interest. To accomplish this, the Bank was authorized to discount bills of exchange and the public funds of Prussia; to purchase or sell them on its own account, and also for third parties; and to grant credits and loans on guarantee; to draw bills of exchange, accept and negotiate them for third parties; to receive deposits against its obligations, or in accounts current, with or without interest; as well as to buy and sell specie or the precious metals. All commercial transactions, especially dealing in merchandize, are expressly interdicted. Besides the above, it is permitted—1. To receive in deposit gold or silver, in money or in bullion, precious stones, public securities, and titles of all kinds. 2. It only discounts bills on Berlin at ninety days, bearing three solvent signatures. In case of need, it can discount foreign bills of an unexceptionable character. 3. It makes loans only for three months, and not for less than 500 thalers, which are guaranteed by gold or silver in ingots, or money, to the extent of their intrinsic value, less 5 per cent.; on public securities to bearer, with a deduction fixed according to the market price of the day; on bills of exchange bearing solvent signatures, endorsed in blank, with a deduction of 5 per cent. of their current value; and on merchandize warehoused in the interior of the State, with a deduction of one-third or a moiety of its value.

The capital of the Bank consists of the remaining capital of the old Bank; a capital of 10,000,000 thalers, in shares of 1,000 thalers each, and deposits made, under the guarantee of the State, from public institutions. The shares are nominative, and to bearer. The Government can determine the repayment of the capital after fifteen years, and thenceforward every ten years. At the end of 1863, it can make what changes it may deem necessary; but if made without a meeting of the General Assembly, the shareholders would have the right to the repayment of their capital six months after such changes are announced. The shareholders and the State each receive a dividend of 3½ per cent. from the net profits; if there be not sufficient for this, it is made up from the reserve; in case of an excess, ¼ per cent. is placed to the reserve fund, and the rest is divided equally between the State and the shareholders. The reserve fund cannot exceed 5 per cent. of the capital. In case the profits and the reserve fund shall not suffice to cover the losses of one year, the deficit must be borne by the capitals of the shareholders and the State in equal moieties; and if this do not suffice, the remainder must still be borne by the capital of the shareholders, who will be recompensed by the excess of profit above 3½ per cent. dividend; but the State cannot share in this excess until after the losses of the shareholders are covered.

The Bank was permitted to issue notes to the extent of 21,000,000 thalers, guaranteed by *two-sixths* in specie, *three-sixths* in bills discounted, and the remainder in guaranteed credits. Every bank in Prussia receives these notes in payment, but the public are not obliged to accept them; and they are not subject to any redemption.

Every public establishment must deposit unproductive capital in the Bank,

for which it pays 2½ per cent. interest for deposits made in the name of churches, schools, and other institutions, and 2 per cent. for deposits made in the name of other establishments.

The *Bank of Prussia*, with its branches, is not under the authority of the Minister of Finances; but no provincial bank can be revoked or limited without the authority of Government, which also reserves to itself the power of authorizing their establishment.

The administration of the Bank is conducted by a Council of *Surveillance*, composed of five superior officers of the State, who meet every three months. The directors of the Bank act under the special superintendence of one Principal and a Royal Commissioner paid by the State; and every officer of the Bank is considered as the servant of the State; but none of them can be shareholders.

The shareholders are represented at a general meeting of two hundred of them, selected from those possessing the greater number of shares; this meeting assembles in the month of January in each year. At the extraordinary meetings, thirty shareholders can represent the Bank. When this number cannot be obtained, another extraordinary meeting is called eight days later, at the least, at which the shareholders can come to a decision whether there are thirty members or not present.

Each shareholder, at a general meeting, has but *one* vote, whatever number of shares he may possess. The general meeting of shareholders receives the annual report of management, names the members of the Central Council, decides upon the increase of the capital, and other questions proposed by the consent of the shareholders. The Central Council consists of fifteen members, named by the meeting of the greatest shareholders. Each member of the Central Council must possess five shares, at least, and reside at the chief office of the Bank. This Council controls all the operations of the Bank, by three of its members, and by three deputies. Every year five members retire, but are re-eligible. The Central Council meets, at least, once a month, when seven members constitute a quorum; and at such meetings the majority decide, but the president and the directors have no deliberative voice. The Council examine the annual accounts and name, in connexion with the principal elected by the State, the members of the direction, with the exception of the president of the Bank. The principal decides upon the report of the Central Council, on what kind of values loans shall be made, and the proportion to be granted; he determines, with the Central Council, the rate of discount; the terms of bills to be discounted, and the terms of loans, and the opening of credits; he also decides between the Central Council and the direction when there is a difference of opinion upon questions placed before them. The payment of dividends to 2 per cent. half-yearly can be made by the authority of the Central Council, but the annual payment is prescribed by law.

The Provincial Banks are associated with, and dependent on the *Bank of Prussia.* Their direction is composed of at least two officers, which are under a commissioner named by the State, and proposed by the general direction. All receipts, agreements, bills, &c., must be signed by two members of the direction of the branch banks. These establishments are fixed by the

Principal of the *Bank of Prussia.* The Central Bank, as well as its branches, has the privilege of being free from stamp duties, and the postage of letters. The Bank can, under all circumstances, repay itself for loans and advances by a sale of the guarantees, without any law proceedings, and the deposits made with the Bank cannot be attached.

This was the state of the laws and regulations of the *Bank of Prussia* to 1855, when the statutes of the Bank were modified. The issues of notes were no longer limited to 21,000,000 thalers, but were to be regulated by the amount of subscribed capital; that is, to *three times* the amount. The Bank, under this arrangement, engaged to redeem 15,000,000 thalers of its paper money in *twenty* months, for which the Government engaged to transfer to the Bank an equivalent in Public Stocks at 4½ per cent., which it was bound to deposit in the Bank at the rate of 3⅜ per cent. per annum, or 550,000 thalers. Up to that period it was provided that the shareholders and the State should have 3½ per cent. on the sum deposited; this rate is now raised to 4½ per cent. for the shareholders, the rate of dividend for the State remaining as before. The subscribed capital was to be increased 15,000,000 thalers, by the issue of new shares of 1,000 thalers each; also the public securities which were deposited in the Bank, amounting to 9,400,000 thalers, without interest, were to be repurchased by the State at the rate of 7,802,000 thalers for ready money, and 1,598,000 thalers in inscriptions of 4½ per cent. stock.

The operations of the Bank have made considerable progress since these changes in its constitution in 1846, especially in the branches. The notes in circulation, in 1856, amounted to nearly 40,000,000 thalers, and the specie to about 18,000,000 thalers.

The Discount Company of Berlin.—This Company is a commercial company, established on the mutual principle. An attempt was made, in June, 1850, to establish a joint stock company for discount purposes, but the concession was refused, which led to the organization of the present Company under limited liability. The *minimum* capital subscribed by each member is fixed at 200 thalers, and the *maximum* 20,000 thalers, each member sharing in the profits or losses in proportion to his share in the capital. The Society grants credits to its members to the amount of his share in the capital. On entering into the Society, the members pay 10 per cent. of their share, and also ¼ per cent. for the cost of management, for which the Society is acquitted. The admission of new members is decided by the Direction and the Council of Administration, and they fix the maximum of their part, which is kept secret. The admission of members takes place under the following regulations:—1. Without any guarantee, when the solvency of the party is recognized. 2. Under the guarantee of a third party; against a deposit of public securities, or any other security easily realized. The parts which make up the capital cannot be ceded, except when the heirs of a member wish to pass his part from one of them, or when there is a change in the partnership of a commercial house, which form part of the Society. When a member wishes to cease to take part in the Society, he must take a part in the direction during the first month of the quarter; and a member ceases to form part of the

Society, if he suspends payment, even when the declaration of his failure has not been pronounced.

The duration of the Society has been fixed for twenty-five years. The operations were not to be commenced until 200 members were united, of which their shares or parts amounted, at least, to 200,000 thalers. At the end of 1853, the members had the right of depositing, moreover, the 10 per cent. due, the sums of which the *minimum* was fixed at 100 thalers, and the *maximum* was not to exceed their portion. These deposits give the right to the same advantages as the entire portions themselves; but in case of losses, they are borne entirely by the parts, without comprising the exceptional deposits. When a member quits the Society, he participates in the profits of the three months in which his secession takes place, and his capital bears to the end of the next three months interest at 4 per cent., and he is reimbursed at the end of six months. The exceptional deposits can be withdrawn by giving one year's notice. The credit accorded to members is made by discounting their bills at three months. The rate of discount is fixed by the Direction, which reckons, moreover, *one-sixth* per cent. for provision for the bills at one month, *one-third* per cent. for bills at two months, and *one-half* per cent. for bills at three months. The Society also grants the members a credit in account current to the amount of their subscribed capital.

The disposable capital of the Society is employed in discounting commercial bills, which must bear two solvent signatures. All other operations are interdicted by the statutes. Balance sheets are prepared quarterly; on the 31st of March, the 30th of June, the 30th of September, and on the 31st of December a general balance sheet is prepared.

The net profits of the Society are thus divided: the founders receive 5 per cent., and the members 4 per cent. on the sums deposited; the remainder is distributed thus: *one-fifth* to the reserve fund, *one-fifth* to the founders, and *three-fifths* to the members who have a claim to the dividends. The dividend of 4 per cent. is payable on the 1st of July.

When the balance-sheet of one quarter gives losses which cannot be covered by the other balance-sheets of the same year, and the reserve fund, the losses are then divided amongst the members, in proportion to the sums deposited by them.

The Council of Administration is composed of *nine* members, named at a general meeting. The Direction is composed of the founders and the Directors named by them. The General Assembly is composed of the members holding one share of the capital of, at least, 1,000 thalers each; these only have a deliberative voice; while the founders have not this privilege.

This Society is under no interference from the State; but, on the contrary, its operations are opposed by the *Bank of Prussia*, which has branches in all parts of the kingdom; and it refuses to discount bills of exchange endorsed by this Society.

The number of members increased from 236 in October, 1851, to 1,675 in March, 1856; the subscribed parts or shares from 1,643,400 thalers, to 7,143,000 thalers; and the paid-up capital of the members from 164,340 thalers to 1,287,100 thalers; while the deposits of members increased in the

same time from 261,938 thalers, to 3,485,833 thalers. The bills discounted in 1852 amounted to 9,560,977 thalers, and in 1855 to 17,542,000 thalers.

There are several other credit establishments in Prussia, but the above are the most important.

RUSSIA.

Banks.—The first institution of this kind dates from 1754, when the Empress Elizabeth founded, on the 23rd of June in that year, at St. Petersburgh and Moscow, two Imperial Banks for the nobility, for the purpose of granting loans, on mortgage of their estates for three years, which loans were, however, gradually prolonged in 1759 to an unlimited time, until further notice. These banks had been endowed with a capital of 750,000 roubles,* and were meant to save the poorer nobility from falling into the hands of usurers; but they did not answer the desired object, although the Empress Catherine II. subsequently increased the capital to six millions of roubles. These banks were in consequence abolished, and superseded by the *National Loan Bank*, while another establishment, called the *Assignat Bank*, was likewise founded by Catherine by a ukase of 29th December, 1768, whose sphere was to embrace a far more extended field of operations. The leading features of this institution were the emission of notes, which circulated throughout the Empire in lieu of copper money, a coin too heavy and bulky for commercial transactions, which were made legal tenders equally with copper money. It was also decreed that 5 per cent. of all payments to be made to the public exchequer should be made in these assignats. Two banks of this kind were established at St. Petersburgh and Moscow respectively; each of them issued and redeemed, on demand, in copper coin, its own notes exclusively; they also advanced their assignats upon gold and silver, wrought or unwrought, foreign and home coin, and exchanged large sums for smaller when required. Both institutions were governed by the authority of directors residing at St. Petersburgh. The first assignats consisted of 100, 75, 50, and 25 roubles each; but in consequence of various forgeries, those of 75 roubles were withdrawn in 1770. The amount in circulation is not exactly known; but it has been estimated at 20 to 50 millions. A far more important measure was adopted by the ukase of the 28th of June, 1786, which says, that "though it has been found that the number of the *assignats* in circulation is insufficient for the necessary transactions of the public, Her Majesty gives her imperial sacred promise for herself and her successors, that the amount of those *assignats* shall never exceed the sum of 100 millions of roubles." The same manifesto extended the power of the bank so far as to allow it to discount inland and foreign bills; to remit, deposit, and engage in operations abroad to the amount of its own acquired capital; to purchase copper, export it abroad, or have it coined at home. It was allowed to import the precious metals from abroad, and establish mints of its own at St. Petersburgh for the coining of gold, silver, and copper moneys, to facilitate the circulation. The bank also issued *assignats* of 10 roubles on red paper, and of

* The *rouble* is equal to 3*s.* 2*d.* sterling.

5 roubles each on blue paper, the total sums of the two amounting originally to one-tenth of the whole circulation. The same manifesto also ordered the establishment of the "*National Loan Bank*," which stood in close connection with the former. Both establishments were intended to assist each other in their respective operations, and form but one institution in effect, and thenceforth the *Assignat bank* received the name "*National Bank*" (National Assignat Bank). With the increase of the issue and circulation of the notes, branches for their exchange and redemption were gradually established in various parts of the Empire; in 1791, there existed, besides the two chief banks, twenty-one branches. In 1788, the amount of notes in circulation was computed at 100 millions, the maximum amount fixed by law. Until 1788 the *assignats* were greatly in favour with the public, and stood at a premium of several per cent. for copper money. The gradual increase, however, reduced them to a discount of 15 per cent. in 1790, against silver; in 1800, to 53 per cent., and in 1815 as low as 426 against 100 silver roubles. After the restoration of peace and various finance operations, the rate of exchange somewhat improved, fluctuating, from 1817 to 1832, between 370 and 380 for 100 silver roubles, and from 1832 to 1839, between 350 and 365, until the ukase 1–13th July, 1839, fixed them at a compulsory legal rate, 350 or 3½ roubles Banco=1 rouble silver.

On the 1st of June, 1843, the amount in circulation was 595,776,310 roubles banco (£28,000,000). A decree of the same date ordered also the establishment of a department for the issue of *billets de credit* in silver roubles, for the purpose of exchanging them for the assignats or bank-notes. These *billets de credit* were made redeemable at sight for silver roubles, and their amount in circulation, on the 1st of January, 1852, was 303,797,128 silver roubles (£50,632,355), while those kept in reserve for the casual exchange of assignats amounted to 28,110,928 silver roubles in *Funds*, and bullion or silver roubles in coin, to the amount of 111,320,732 (£18,553,455). The *billets de credit* department does no banking business whatever, being merely a public office for the exchange or redemption of the *assignats*.

Imperial or National Loan Bank.—The manifesto of the 28th of June, 1786, (mentioned above,) ordered the establishment of the above institution in connection with the *Assignat Bank*, with the object of advancing money, especially to the nobility, at 6 per cent. The Loan Bank had its seat at St. Petersburgh, and was endowed with a capital of 33 millions of roubles, two-thirds of which were destined for loans to the nobility, and one-third to mercantile firms in towns. The assistance to the latter was for the purpose of promoting inland trade, but more particularly the trade with Persia and China, as well as the export of Russian productions to foreign countries. The Bank was under the sole and immediate patronage of the Empress, and formed but one institution with the *Assignat Bank*. The Loan Bank grants advances only on lands and estates, farms, brick or stone houses, fabrics, &c., when duly insured; the minimum loan is 1,000 roubles; and the sums advanced can only progress by thousands: 1,000, 2,000, 3,000, 4,000, &c. Estates mortgaged to the Bank cannot be attached. The Bank is also em-

powered to redeem mortgages from other creditors, and lends money for 15, 26, and 37 years at 6 per cent., receiving the interest annually, and an instalment of capital in proportion. Natives and foreigners are allowed to deposit their capitals with the Bank at 4 per cent. annually, or at compound interest, if for a longer period.

Commercial Bank (at St. Petersburgh).—This Bank was founded in 1818, and endowed with a capital of 30 millions rouble-banco notes. Its operations consist—1. In receiving deposits of gold and silver valued in S. R. against a commission of ¼ per cent. for every six months; the lowest amount received is 150 roubles. If the deposit be not withdrawn a fortnight after the fixed term, the depositor loses his right, and can only claim the value of the deposit such as it was at the time of the entry. 2. In discounting bills of Russian subjects, or having the signatures of a respectable firm at St. Petersburgh, if drawn abroad. 3. Advancing money on goods of Russian origin according to a fixed tariff of valuation. All capitals deposited are exempt from taxes and attachment. They bear 4 per cent. interest, and can never be made use of by the State, even if the depositors are foreign subjects of a country or countries with which Russia may be at war.

One portion of the annual net profit of the Bank goes to the Imperial Treasury, while the remainder is added to the reserve fund.

The depositors may at any time withdraw their capital wholly or in part, and also transfer it to another. The transfer to another town where a branch exists cannot be under 1,500 roubles. He who overdraws his balance is liable to a fine of 3 per cent.

The administration of the Bank is appointed by Government. The branches are—

1. At Moscow, it is charged with receiving of deposits, advancing money, and exchanging bank-notes of large amount for smaller, or for copper.
2. At Archangel. In addition to the above operations it negotiates bills of exchange on St. Petersburgh.
3. At Odessa: Besides the above operations it also discounts bills drawn on some firm at Moscow, or even some foreign place.
4. At Riga. The operations are the same as at Moscow.
5. It receives deposits and grants advances.
6. It grants advances and exchanges bank-notes.
7. It receives deposits, grants advances on silver, copper, and iron, on receipt of the ural mining administration, and exchanges bank-notes.

Deposit Banks.—These banks were founded by Catherine II. for the "Foundling Houses" at St. Petersburgh and Moscow.

They receive deposits on interest and advance money on mortgages.

Situation and operation of the Bank:—

	1850. S. Roubles.	1851: S. Roubles.
CAPITAL OF THE FOUNDLING HOUSES	52,424,616	50,136,606
Balance of deposits	405,624,380	391,092,021
New deposits	78,900,055	78,954,156
Returned and interest	81,839,764	81,118,934
Old loans	451,530,102	432,178,738
New ditto	40,612,590	41,841,725
Net profit	2,523,512	2,279,680
Mortgages on cultivated loans with serfs	5,131,861	5,094,675

SARDINIA.

The National Bank of Sardinia was established in December, 1849, for a period of thirty-one years, or until the 1st of January, 1880. The capital was fixed at 32,000,000f. or £1,280,000, divided into 32,000 shares of 1,000f. each, which were nominative, and on which 750f. were deposited.

The operations of the Bank consist—1. In discounting Bills of Exchange and other securities to order, payable in Sardinia, Lyons, Marseilles, and Geneva. 2. Deposit gratuitously of securities payable at Genoa or Turin. 3. To accept in account current, without interest, sums deposited with it, the payment of orders and assignments drawn upon it by the depositors to the amount of the sums deposited. 4. To receive in deposit title-deeds and the precious metals. 5. To advance upon guarantee companies the precious metals; loan certificates of the State and Municipalities, upon sales, upon foreign commercial bills, and on shares in industrial undertakings guaranteed by the State. 6. The issue of notes to bearer, and at sight, of 20, 50, 100, 250, 500, and 1,000 francs each. The total amount of notes in circulation, added to the notes of the Bank, cannot exceed *three times* the amount of specie in the Bank.

The meetings are held in February and August, and are composed of 100 of the largest shareholders, who have each one vote. The accounts are made up half-yearly to the 30th of June and the 31st of December. After paying 2 per cent. half-yearly on the capital paid up, 75 per cent. of the excess of profit is divided amongst the shareholders, and 25 per cent. placed to the reserve fund. In 1850 the shareholders received an extra dividend of 76½ francs per share, but in 1855 it was only 26 francs.

SPAIN.

The Bank of "San Fernando" (at Madrid).—In 1782, under Charles IV., a bank was founded at Madrid, under the name of "Spanish National, or St. Carlos Bank." The capital amounted to 300 millions reals de Vellon (£3,000,000), divided into 150,000 shares at 2,000 reals each. A charter was granted for twenty years until 1802. The Bank was authorized to discount private bills (with 3 signatures), and Treasury bonds at 5 per cent. It was also to make payments for Government at 1 per cent. commission, or provision and supply the troops with all requirements for 10 per cent. commission; issue notes at from 200 to 1,000 reals, and had also the sole monopoly of exporting piastres. The various relations with the State were such, that at the end of 1827 the Bank had neither money nor credit, but demands on the State to the amount of 309,475,983 reals. This enormous sum was reduced by a decree of the 9th of July, 1829, to 40 millions, and the Bank having liquidated, a new bank *(San Fernando)* was formed, endowed with the above 40 millions acknowledged debt, and 100 millions new Treasury bonds which were duly inserted in the Great Book of the National Debt.

The Bank also held 60 million reals in 30,000 shares (at 2,000 reals each), and issued, in 1830, notes to the amount of 30 millions.

Continually engaged in transactions with a Government whose financial

embarrassments were increasing from day to day, the Bank soon fell into almost the same condition as that of its predecessor, and which compelled it in 1847 to reorganize its finances and statutes. The new regulations which still rule that institution date from 4th May, 1849, which provide—

1. That the capital should amount to 200 millions reals in 100,000 shares to bearer.*

2. That it should possess the exclusive right of issuing notes to the amount of half its capital.†

3. That one-third of the notes should be covered by bullion.

4. That the smallest note should not be below 500 reals.

5. That the Bank should be allowed to establish branches in the provinces.

6. That in all her transactions with the Government, no balance should ever be left uncovered.

7. That the Bank should never advance money on its own shares, nor deal in stocks and other securities.

8. That the Governor of the Bank to be appointed by Government.

These statutes were only brought to public notice by a decree of 18th February, 1852, by which some modifications were introduced. The Bank was thereby allowed to transact business in gold and silver: to receive improveable property from insolvent debtors only to cover its own demands. Bills, as a general rule, must bear three signatures, and not have to run more than ninety days. Bills with only two signatures may be admitted by the unanimous consent of the executive committee. Bills may be renewed after the expiration of ninety days for another similar period. Advances on pledges may be made to four-fifths of their actual value. The Bank may order their sale at the expiration of three days after the payment falls due. If the proceeds of the sale do not cover the debt, the Bank may proceed against the borrower for the balance. The Bank can never take Government bills above half the amount of its capital, while those bills must be of a nature and efficiency to realize and reimburse without difficulty the full amount advanced on them. The branch banks in the provinces only redeem such notes as are made payable by them. A balance sheet is made out once every six months. If the net profit does not suffice to pay a dividend of 6 per cent. per annum, the reserve fund is to be made use of for the purpose; and if this last is also insufficient, only the disposable amount is distributed as a dividend.

The general meeting consists of 150 shareholders possessing the largest number of shares. It meets annually in the first half of March, without Royal consent. The meeting is not to last more than four days.

In the report submitted to the general assembly on 31st May, 1851, the administration alleges as an excuse for the non-convocation of the assembly during the previous three years, the instruction of Government, who, from other motives, did not allow the convocation of the assembly during the crisis of that epoch. The accounts, it appears, were never published during that period, and the unfavourable state of the Bank, according to the above report, was ascribed to the establishment of the new bank the "*Banco de Isabella* II."

* By a decree of the 15th December, 1851, the capital was reduced to 120 millions reals, with the option of increasing it to 200 millions reals.

† The same decree permitted the maximum issue to equal the capital.

The old bank (San Fernando), whose operations consisted chiefly in the management of public finances, had employed and devoted but little of its means to private affairs, in discounting loans and other profitable operations, by which it, in a great measure, might have checked the fluctuation of its own shares, while the Bank *Isabella*, with a capital double as large as that of the Fernando, and devoting its energies almost exclusively to private mercantile affairs, naturally transacted by her facilities more business than the latter, but ran at the same time a greater risk. In the commercial crisis of the year 1847, which precipitated both institutions into difficulties, from which it was thought they might be extricated by their amalgamation. The political convulsions, however, of 1848 greatly affected the money-market of Spain, and acted still more fatally upon the credit of the bank by the enormous embezzlements which took place in the new institution, and the exaggerated reports circulated concerning their solvency. The political events of 1848 increased also the expenditure of the Spanish Government, whose banker, or rather cashier, the amalgamated institution was; while the alarm and apprehension caused by exaggerated anticipation greatly depreciated the public stocks, which constituted the chief capital of the Bank, a run was made upon it for the withdrawal of deposits and balances, and the redemption of notes, while the State papers and printed bills in its possession could not be converted into cash without causing a further decline in the price and the utter ruin of hundreds of families. Government, to mitigate the evil, ordered that the notes should be received in the provinces by the tax-collectors as ready cash; the crisis, however, was too strong to be removed by this measure, while two other events still more aggravated the condition of the Bank. By a decree of the 21st of June Government ordered that the engraved plates of the notes, their form, register, &c., should be deposited with the administration of the National Debt, and that moreover counsel should be appointed for the revision of the statutes of the Bank, with a publication in detail of its position and issue of notes, and the addition of four members to the Council of Administration. This decree, instead of inspiring public confidence, on the contrary gave rise to the suspicion that the Bank had exceeded the amount of issues fixed by its statutes.

The second not less fatal event at that critical moment was the discovery of a great defalcation in the funds of the Bank, amounting to 4,813,961 reals in metal, 30,208,000 reals in the 3 per cent. stocks, and 29,100,000 reals in the 5 per cents. At this most critical conjuncture, Government decreed a forced loan *(anticipation forzosa)* of 100 millions from the nation. The rapidity with which the sum was collected saved the Bank. Government, by a decree of the 8th of September, appointed a commission charged with the issue and redemption of notes. The circulation was fixed at 100 million reals; the excess was to be called in and redeemed, while one-third of the notes was always to be covered by bullion in hand. The Bank administration then attempted to draw in all the debts and balances due to it; unfortunately, however, all the securities upon which advances had been granted consisted of stock, the actual value of which was far below the demands of the Bank, while it was quite beyond the power of most of the debtors to make good the deficiency or difference. Even those who had the means refused to do so on legal grounds, alleging that the Bank, like pawnbrokers, cannot demand from

the borrower to indemnify it for the depreciated value of the pledges, which allegation the Tribunal of Commerce considered well founded. The sanction of the refusal by the Tribunal induced all debtors to act accordingly until the judgment was reversed in 1850 by the supreme courts. The settlement of the large amounts due by Government to the Bank was delayed on account of the engagements taken by the former to redeem the notes in circulation. And so ended the year 1848 without any material improvement in the position of the Bank. In 1849 confidence was somewhat restored. The current account deposits, amounting in 1848 hardly to 4 million reals, had increased by the 1st of July, 1849, to 32 millions, and in an equal proportion the operations of the Bank. From that time the Bank has been gradually recovering its former position.

Bank of Barcelona.—The concession for this Bank was granted on the 1st of May, 1844, for the term of thirty years. The capital was fixed at 1,000,000 dollars, divided into 5,000 shares of 20 dollars each. The shares are nominative. The operations of the Bank comprise—1. The discount of commercial bills having not more than *four* months to run, bearing three solvent signatures. 2. To advance upon the precious metals, public funds, and other securities easily realized. 3. To receive deposits and transfers. 4. To open accounts current.

The Bank has power to issue notes from 200 to 20,000 reals vellon; but the total amount cannot exceed the capital of the Bank, and they must always be guaranteed by *one-third* of the sum in specie.

The General Assembly takes place in the month of February and August in each year: the holder of five shares has a right to one vote, but no person can hold more than 100 shares.

The Council of Administration is composed of fifteen members, named by the General Assembly, three of whom are called directors, each of whom must possess 100 shares. The Council of Administration decides upon the operations of the Bank, and determines what commercial houses shall be admitted to discount, as well as fixing the amount of credit to be accorded to each; it fixes the rate of discount and the sums to be appropriated to different operations; it decides on the dividends; convenes ordinary and extraordinary meetings; and has the power to establish branches. The Council meet every week, and very often at the request of the direction, and no decision is valid unless supported by twelve of its members. The direction executes the orders of the Council and represents the Bank; it chooses from itself an executive director, cashier, secretary, bookeeper, &c. The first must deposit 25,000 *duros*.* The members of the direction are named for three years, but are re-eligible.

The Council of Administration is entitled to 4 per cent. of the net profits and the direction to 6 per cent.; one-fourth part of the remainder is placed to the reserve fund until it has reached the fourth-part of the subscribed capital; when this is accomplished the profit is divided amongst the shareholders. 1 per cent. of the reserve fund is employed in works of benevolence. The operations of the Bank are examined by a Government Commissioner.

* Hard dollars, each being equal to about 4*s.* 2*d.* sterling.

Spanish Society of Credit and Industry.—This Company was established at Madrid under the auspices of Messrs. Rothschild, to whom a concession was granted on the 2nd of April, 1856, for the term of ninety-nine years. The proposed capital is fixed at 304,000,000 reals, or about £3,166,000 sterling, divided into 160,000 shares, of 1,900 reals each. The shares cannot be issued below par. The first issue comprised 64,000, upon which 50 per cent. was paid up within thirty days after the date of subscription.

The General Assembly is composed of one hundred and fifty of the largest shareholders, which name the Council of Administration, which consists of twenty-one members, each of whom must deposit one hundred shares as a guarantee of his good faith and conduct in management, which lasts for seven years. The members of the Council enjoy fixed salaries, and certain benefits accorded to them by the General Assembly. By the statutes of the Society 6 per cent. of the net profits is to be divided amongst the shareholders as interest, and that from 5 to 20 per cent. will be added to the reserve fund; the surplus to be divided amongst the shareholders.

The operations of the Society consist—1. In negotiating loans, limiting them entirely to Spain. 2. To employ half its capital in the purchase of the public funds of Spain. 3. To establish industrial enterprises. 4. To perform all the ordinary operations of banking. It is, however, expressly forbidden by the statutes to negotiate its own shares, or to operate upon the Bourse either for money or for time. So long as the Society has not realized all its subscribed capital it cannot issue in obligations more than *three* times the amount paid up, and after the whole capital is paid up the Society can issue obligations to *five* times that amount, or to the extent of about £15,833,000 sterling.

Crédit Mobilier of Spain.—This institution, though situated in Madrid, was originated by the promoters of the *Crédit Mobilier* of Paris, and is governed by two Boards of Administration, one in Madrid and the other in Paris; amongst the latter is M. Isaac Pereire, President of the *Crédit Mobilier* of Paris, the founder of this institution. The concession is granted for ninety-nine years from the 22nd March, 1856. The capital is fixed at 456,000,000 reals, or about £4,750,000, divided into 240,000 shares to bearer, 1,900 reals each, or 500 francs, or £20. At the close of last year only 120,000 shares had been issued, on which was deposited 30 per cent. The shareholders are first entitled to an interest of 6 per cent. per annum, and to a proportional part of 88 per cent. of the net profits, which are thus distributed:—To the shareholders 6 per cent. interest from the surplus, there is added to the reserve fund 6 per cent. at least, and 20 per cent. at the most, which cannot exceed 76,000,000 of reals; the excess is then divided as follows: 38 per cent. to the shares entitled to dividend, payable on the 31st of July; 5 per cent. to the founders; 5 per cent. to the administrators; 1 per cent. to the director and deputy-director; and 1 per cent. to the *employes.*

The Society is administered by a Council, composed of fourteen members, of which seven are for Spain and seven for France, chosen by the General Assembly, consisting of one hundred and fifty of the largest shareholders. Each member has one vote for every fifty shares, but the number cannot

exceed ten votes. The accounts are balanced each year to the 31st of January. The general meeting of shareholders is held in the month of May.

The operations of the Society are regulated by a general law passed in Spain on the 30th of January, 1856, which applies to several institutions, such as the following:—The *Spanish Crédit Mobilier;* the *Credit Society of Spanish Bankers;* the *General Society of Credit in Spain;* and the *Credit Society of Catalonia.* These operations are—1. To subscribe, or to contract loans with the Government, with municipal or provincial corporations, and to purchase public funds, shares, or obligations of all descriptions of industrial enterprises, or of credit; but the authority of Government must be obtained before foreign loans can be negotiated. They cannot employ more than half their effective capital in the purchase of public funds, either for money or for account. 2. To establish all kinds of enterprises, such as railroads, canals, manufactures, docks, and any other kind of industrial undertaking. 3. To amalgamate or remodel all kinds of commercial companies, and take upon them the issue of their shares and obligations. 4. To administer or receive rent or income from any description of property and enterprise in public works, with the approbation of the Government. 5. To issue obligations equal to the sum employed and represented in portfolio. 6. To sell, or to give as guarantee, all the values, shares, or obligations acquired by the Society, and exchange them when necessary. 7. To lend upon public securities, shares, or obligations, crops, and property of various descriptions, and to open credits in account current. The loans advanced upon its own shares cannot exceed two months, nor be above 10 per cent. of the effective capital of the Society, nor more than 60 per cent. of the market value of the shares. 8. To undertake, on account of other societies, or persons, the recovery of all payments, and other operations confided to it. 9. To receive in deposit all kind of values, whether in paper or specie, and to open accounts current with societies, corporations, or individuals.

The duration of each Society is fixed for a period not exceeding ninety-nine years. The chief office of each must be in some part of the Spanish Peninsular or the adjacent isles; each Society can establish branches in any part of the Spanish territories, and also in a foreign country by the authority of the Government.

The shares of these Societies are to bearer; but each shareholder has the right to deposit them in the hands of the Society to receive from it a nominative receipt. The issue for the constitution of a Credit Society must be from one-third or one-half of the shares which form the subscribed capital, and the first deposit must be made within thirty days following the official approbation; the amount of capital to be deposited must be 25 per cent. if the issue is made of one moiety of the shares, and 30 per cent. if it only amounts to one-third. The obligations of the Society for a term (*échéance*) of at least one year issued by the Society, cannot exceed five times the paid-up capital if the whole be not realized, but when all is paid up obligations may be issued to *ten* times the amount. The amount of obligations issued for a term of less than a year, added to those received in account current, cannot in any case surpass double the effective capital of the Society.

The accounts of these Societies must be presented to Government every month and published in the Official Gazette; the Government also reserves to itself the right of examining, when it thinks proper, the situation of each society.

Such are the laws and regulations by which Societies of Credit in Spain are generally to be governed. Their recent establishment has not yet afforded the means of judging of their utility or success.

SWEDEN.

The State Bank of Sweden dates as far back as the middle of the 17th century. Charles Gustavus X. granted to one Jean Palmstruch the privilege of creating a Loan Bank for thirty years at Stockholm and other towns, from the 19th of November, 1656, authorizing it to grant loans on the guarantee of gold, silver, and all kinds of merchandize; the amount of loans granted were to be equal to *two-thirds* of the value of the guarantee, and the King himself could not become a borrower without furnishing a satisfactory guarantee. When the loans borrowed were not re-imbursed to the Bank with interest within a year and six weeks, the Bank had the right to sell the guarantees and take interest at the rate of $10\frac{5}{32}$ per cent. on sums from 8 to 100 thalers; $8\frac{1}{2}$ per cent. on sums from 100 to 400 thalers; and 6 per cent. on sums above 400 thalers. At the same date a concession was granted for thirty years to the same individual to establish a Bank of Exchange to receive deposits in account current, the minimum of which was fixed at 100 dollars in copper, 50 ducats, 100 dollars specie or of silver; the net profits were to be distributed, one moiety to the King and the other to the Bank and the town of Stockholm. In 1657 fresh regulations were made for the Bank similar to those of the Netherlands Bank; it was also decided that all payments above 100 thalers specie should be made in Bank dollars: it performed no discount operations. In 1661 the Bank issued bills or notes in the form of certificates of deposits; but in 1664 it found itself unable to redeem them, when the Government, to secure the Bank, ordered that all the sums due to the public by the Bank should be reckoned at *one-half* the actual amount, and lent to the Bank 700 *schippfunds* of copper * for the purpose of converting it into pieces of 1 and 2 *ores*. † By a decree of the 1st of July in that year, all the affairs of the Bank were to be conducted in ducats, equal to 100 *ores* in silver, in dollars of the Empire, equal to 32 *ores*, and in marks valued at 8 *ores*. By a decree of the 5th of March, 1667, the bills were withdrawn from circulation from the 25th of May, 1667. It was at last discovered that Palmstruch had purloined 200,000 dollars from the Bank, which he was compelled to restore or suffer death, and he died of grief; after having obtained pardon in 1671, the Government undertook to supply the deficiency. In 1668 the Bank was administered under the authority of the State, and the taxes were deposited with it; at the same time the two Banks continued their former operations, but could no longer issue notes. In 1689 it was ordained that the deposits should be reimbursed in the same monies in which they had

* Equivalent to about 252,000 lbs. avoirdupois.

† The name of a small coin in Sweden, estimated at three times the value of copper in silver, 32 of which were reckoned as one dollar.

been made. In 1700 the Banks were greatly embarassed, and again obtained leave to issue notes, which at first were issued on the deposits, but were afterwards issued without deposits. The Loan Bank, which had been closed sometime for want of funds, recommenced operations in 1731. In 1741 it was ordained that the amount of value lent upon land should be reckoned at 1 ducat for 18 dollars; 1 dollar of the Empire for 9 dollars; 1 dollar caroline for 4 dollars 22 ores; and 1 dollar current equal to 3 dollars in copper. The interest upon loans was fixed at 4½ per cent. on gold and silver, upon other metals 5 per cent., upon land 5 per cent., and upon other guarantees 6 per cent. This led to a great increase in the issue of notes and also to the export of specie, which was prohibited in February, 1744, under severe penalties, and by a Royal decree of October, 1745, the Bank was permitted to suspend the payment of its notes, which however continued to be received in all the public treasuries. In this year the debt of the Bank was 14,000,000 dollars in silver, but it possessed in silver specie only 970,260, dollars, and in copper 406,000 dollars. A decree of July, 1747, authorized the continuation of issuing notes, though the Bank had proposed their withdrawal.

In 1747 a Bank of Exchange was established to regulate the course of exchange, and another the price of metals: the object of the first was to reduce the current price, until 1756, from 47¼ to 38 marks in copper for 1 dollar banco of Hamburg or nearly to par, that being 36 marks: and the second was to raise the price of iron from England from £12 to £18 a ton.

In 1761 it was ordained that the Bank should only advance upon land one-half its value and one-third upon buildings; that at the end of 1762 it should charge 3 per cent. upon the first, and 5 per cent. upon the second, as interest, in order to obtain a sinking fund for the loans. In 1765 the Bank was prohibited from making advances, the circulation at that time being 38,580,000 dollars. In 1777 the value of the dollar of the Empire was fixed at 48 shillings, and the accounts were kept in that money; the total of notes in circulation was then reduced to 7,845,524 dollars; the specie was 4,690,052 dollars, and the State debt was 5,250,000 dollars. In 1786 the Bank lent to the Government 833,000 dollars, which was re-imbursed in four years.

The war with Russia in 1788 again brought the State into difficulties, and in the following year it instituted a Bank for the management of the debt which then had increased to 21,037,827 dollars; certain revenues were transferred to this establishment, which was also authorized to issue obligations at 3 per cent. for 600,000 dollars, which were received in payment by the State. In May, 1789, these obligations were issued in coupons of 1 dollar 24 schillings, and of 1 dollar 12 schillings, and designated *Bills of Credit.* In October, 1789, another establishment was added to the above, termed the *General Bank of Assistance*, with a capital of 250,000 dollars in these Bills of Credit, of which the State furnished 150,000 dollars and the shareholders 100,000 dollars. This establishment had also the right to contract loans at 4½ per cent. and discount at 6 per cent. This brought the institution into great difficulties, and, in conjunction with the issues of the State Bank, the amount of obligations became excessive. At the end of 1790 they amounted to 8,445,000 dollars, and in 1795 to 16,037,000 dollars: but the State Bank

had reduced its notes in circulation to 1,313,234 dollars specie. The losses on the obligations increased from 14 per cent. in 1793 to 50 per cent. in 1799. In 1800 the Bank of Exchange was charged with retiring 15,000,000 dollars of them, with a deduction of 16⅔ per cent. or 12,500,000 dollars, of which two-thirds were to be payable in bank notes, and one-third in bills of one dollar, reimbursable in ten years. On the other hand the Bank was to receive 4,500,000 dollars of silver, to be obtained in two years by a general tax upon the revenue; 300,000 dollars a year during fifteen years by the customs revenue; by being allowed the privilege of discounting bills; and lastly to grant loans, but this privilege to cease in 1802. The above 15,000,000 were to be redeemed by the State Debt Bank by indirect taxation.

In 1800 the Bank was authorized to contract loans in gold or silver against obligations bearing interest at 4 per cent. and re-imbursable in five and ten years, and also to issue notes of 8, 12, and 16 schillings. At this time private banks of discount were authorized to be established, on condition that their capitals should be delivered up to the State Bank in silver, which should re-imburse the amount in notes.

The Bank of Sweden has undergone many changes and has experienced numerous difficulties in various periods of its history. The statutes of the Bank were re-modelled in August, 1851, when it was placed under the *surveillance* of the State. The specie was to be maintained at 2,500,000 dollars, and the issue of notes was not to exceed 20,000,000 dollars-banco, besides the sums covered by specie. Of these notes 2,500,000 were to be employed by the private banks to re-place those which had been issued. These notes are in dollars of the Empire and are equal to 3*s.* 8*d.* of the specie dollar of the following denominations:—

Dollar.	Schillings.		Silver dollar.		Money dollar of the State.
0	32	equal to	¼	equal to	1
2	0	"	¾	"	3
6	32	"	2½	"	10
10	0	"	3¾	"	15
16	32	"	6¼	"	25
33	16	"	12½	"	50
100	0	"	37½	"	150
500	0	"	187½	"	750

The deposits are re-imbursed in the same kind of money in which they are made. The advances made upon metals are to three-fourths of their value; and the sum appropriated to this purpose is fixed at 3,500,000 dollars-banco, that of loans upon land at 6,500,000 dollars-banco: these loans must be from 200 to 6,000 dollars at 6 per cent. interest, of which 2 per cent. is appropriated as a sinking fund.

The capital for advances upon shares and other securities is fixed at 500,000 dollars; on securities yielding 4 per cent. interest 90 per cent. is advanced, and 75 per cent. on those yielding a lower rate. The capital for advances without guarantee is fixed at 8,000,000 dollars in loans from 100 to 6,000 dollars.

When a private bank ceases to exist a branch bank is established in its place, and the Central Bank can issue notes to the average amount put into circulation by the private bank during the last three years. Societies wishing

to enter into banking operations without issuing notes, can receive them from the central Bank on the following conditions:—The Society must be composed of thirteen members, at least, severally responsible; and the fourth-part of their capital must be deposited at the Mint.

The capital of the Bank is 10,000,000 thalers, and in case of loss must be maintained at that sum by the annual income of the Bank. The profits obtained between 1840 and 1850, it deposited in the Treasury of the State—700,000 dollars per annum in 1851, 1852, and 1853. The future profits are reserved by the Bank and employed in the purchase of public securities, at interest.

TURKEY.

The Imperial Bank of Constantinople was founded in 1848, with a capital of 25,000,000 piastres, and Messieurs Jacques Alleon and Emanuel Baltazzi were named as directors. The Bank was to all intents and purposes a State Bank, employed by the Turkish Government to overcome the difficulties which had arisen from the debasement of its currency; therefore the Government was declared responsible for all its operations, the whole of the capital being deposited by it. There was at the same time a Bank of Exchange instituted to redeem the paper-money *Kaimes* at a loss of 3 per cent. to the holder. The difficulties of the Turkish Government in the management of its currency are of long standing, and originated in the claims made upon it by Russia as far back as 1744, at the peace of Kainardji, when Russia demanded an indemnity of 7,500,000 piastres. The piastre, which was formerly intrinsically valued at more than 2*s.*, was debased, so as to be worth only about 1*s.* 8*d.* In 1829 Russia demanded 11,500,000 ducats of Holland as an indemnity; the piastre was then reduced to less than *twopence*, and the circulation of this money amounted to 500,000,000 piastres, which produced the most serious losses upon the commerce of foreign countries carried on at Constantinople, as it was impossible to regulate the sale of merchandize or credit with any certainty, and bills were discounted at a heavy loss. This induced the Government of Turkey to adopt a change in 1844, when it issued new money to correspond with the monies of Europe, and coined pieces in *gold* of 50 and 100 piastres; in *silver* of 1, 2, 5, 10, and 20 piastres; and, in *copper*, of 1 and 5 paras, making 1 piastre equal to 40 paras. In 1844, there was coined of this money 200,000,000 piastres, and an Imperial decree prohibited the circulation of the old monies, and monies of foreign countries, and required them to be delivered at the Treasury at the following values:—

	Piastres.	Paras.
A pound sterling	108	5
A Russian imperial	87	32
A 20 franc piece	85	0
A Venetian ducat	51	0
An Austrian ducat	50	3
A ducat of Holland	50	3
A hard Spanish dollar	22	33
A tallaro of Austria*	21	36
A 5 franc piece	21	10
A silver rouble	16	37

* The *tallaro* is frequently used for dollar, particularly in the trade of the Levant.—*Kelly's Cambist.*

But as the old monies continued to circulate at an agio of about 12 to 14 per cent., the Government renewed the prohibition of receiving these monies under a penalty of forfeiting one-fourth of the sum seized. It was by these coercive measures that the Government succeeded in maintaining the piastre at rather more than twopence in value. It also entered into an arrangement with Messieurs Alleon & Baltazzi to issue bills of exchange upon Europe at the rate of 110 piastres per £ sterling on London, and at 173 paras for 1 franc on Paris; drawing on the 5th, 15th, and 25th of each month bills of exchange on its agencies at London, Paris, and Marseilles. The amount of bills thus drawn from the 1st of March, 1848, to the 1st of March, 1850, was as follows:—

	Piastres.
On London	635,479,016
„ France	168,225,151
„ Vienna	6,555,393
Total	810,259,560

Taking the piastre at twopence, the above amount is £6,752,163, on which the loss to the Turkish Government was 26,282,744 piastres, or £219,000, besides the cost of the management by the Bank.

Several attempts have been recently made to establish an Imperial Bank in Constantinople, both by foreigners and by the native merchants and capitalists, but without any success. The following is the most recent plan:—

PROPOSALS FOR A NATIONAL BANK OF TURKEY.

The following proposals have been made to establish an Imperial Bank at Constantinople, July, 1857, the previous efforts made by English capitalists having failed:—

Propositions made by certain Greek Bankers and Exchange Dealers, to the Government of his Imperial Majesty the Sultan, in June, 1857.

"Art. 1. The Sultan grants to ——— the privilege of establishing a public bank in the Ottoman Empire, with the title of 'the Bank of Turkey;' the shareholders to be responsible only to the amount of their shares.

"2. This bank shall be placed under the supervision of the Sultan.

"3. The capital shall be 5,000,000 gold medjidiés (£4,620,000), divided into 250,000 shares of 20 gold medjidiés (£18 10*s.*) each. The shares will be issued to and registered in the name of the party taking or holding the same.

"The bank shall not commence business until 150,000 shares shall be subscribed, and the fourth of the capital represented by such 150,000 shares shall be paid in legal currency into the coffers of the bank. The residue of the capital of the 150,000 shares shall be paid up by sixths during the first six months following the opening and installation of the bank. Immediately the 150,000 shares shall have been subscribed, the list of subscriptions shall be closed, and the remaining 100,000 shares shall be disposed of only as the capital is required, the original shareholders having the option of taking them at par.

"4. The bank engages to make advances to the Government for 550,000,000

piastres (£4,230,000), to bear 6 per cent. interest at the price of 95 per cent. cash for every 100 piastres of the bonds of the State.

"The amount of these advances shall be employed by the bank for the withdrawal of the *kaimés* and *essams-muntazes* in the following manner:—

"The bank shall withdraw within the space of fifteen months all kaimés under 20 piastres (3*s.* 1*d.*), and which amount, according to the official registers, to the sum of 250,000,000 piastres (£1,923,000). It shall likewise withdraw within the space of fifteen months all the essams-muntazes and the kaimés bearing interest which amount, according to the official register, to 300,000,000 piastres (£2,307,000).

"In case the amount of the kaimés and essams-muntazes should exceed the said sum of 550,000,000 piastres the Government engages to withdraw at its own expense the residue within the periods above-mentioned.

"5. The Government will immediately make the bank a special assignment of revenues arising out of . . . for the annual sum of 55,000,000 piastres (£423,000), which shall be employed in the reimbursement of the capital and the payment of interest on the above-mentioned bonds. The State bonds shall be gradually liquidated, so that the principal and interest shall be paid off in about fifteen years.

"6. With the view of withdrawing from circulation all the debased currency known as the beshliks, the bank engages to withdraw from circulation every year, month by month, and in twelve equal proportions, the sum of 75,000,000 piastres (£576,000) of the debased currency, to be delivered to the administration of the Mint, which, after verification, shall melt and assay it in the presence of bank delegates to prove their real value, and to coin them into silver *medjidés*, which shall be paid to the bank immediately they are issued from the Mint.

"The bank shall credit the account of the Government with the new silver money as and when received, in like manner as it shall have debited it with the debased silver currency on the day on which it shall have handed it over to the administration of the Mint.

"The Government, on its side, formally engages with the bank to pay it every successive year, and according to its monthly advances, the approximate sum of 30,000,000 piastres (£230,000) to balance the actual deficiency resulting from the annual liquidation of the 75,000,000 piastres of base currency.

"7. The head establishment of the bank shall be at Constantinople. It shall have the power of establishing branches in all parts of the Empire, subject to the sanction of the Government.

"8. The said bank, as well as its branches, shall have the exclusive privilege of issuing bank notes to bearer, which shall circulate in manner following:—

"The notes of the parent establishment shall circulate freely in Constantinople, and in the towns near the capital, and shall be received without any power of refusal at the Government offices of the said localities. They shall be payable in specie on demand at the office of the bank at Constantinople.

"The notes of the branches shall be equally received at the Government offices, and shall circulate freely in each of the provinces, in the chief town in which there may be a similar establishment authorized by Government.

"The notes put into circulation by the branches shall be issued by the Bank of Constantinople itself, and shall be payable either at the place at which they are put into circulation or at Constantinople.

"The bank shall have the power of issuing notes for triple the amount of bullion and coin it shall have in its coffers.

"The notes shall in no case exceed 10,000,000 *medjidiés* (£9,230,000), even when the bank shall have the entirety of its capital disposable in specie.

"9. The bank shall have at all times the right of sending to the Mint specie and bullion, to be melted and converted on its own account as quickly as possible into Turkish money of legal weight and value, without any expense to the bank, on condition that the Mint shall receive from the bank gold and silver of the following weight and fineness:—

"One drachm of fine gold of the value of 1,000 *millièmes* for 48 piastres.

"One drachm of fine silver of the value of 1,000 *millièmes* for 125 paras.

"10. The Government engages to maintain irrevocably during the duration of the bank the present monetary system, that is to say, the gold coin *medjidié* of 100 piastres, weighing 225 drachms the 100 pieces, of the value of 916½ *millièmes*, and the silver *medjidié* of 20 piastres, weighing 750 drachms the 100 pieces, of the value of 830 *millièmes*.

"As the value of copper money varies, and its value cannot be assimilated to that of gold and silver, the Mint shall only strike off a limited quantity, in order that no one shall tender for payment more than five piastres at a time.

"11. The bank will not have the power to undertake any operations other than those which are permitted by the present statutes.

"These operations are,—

"1. To discount for all persons bills of exchange and other commercial paper to order at fixed dates, not exceeding three months, and endorsed by merchants and persons notoriously solvent.

"2. To undertake for private individuals and public departments the collection of moneys owing to them.

"3. To receive in account current the sums deposited with it by private individuals and public establishments, and to pay the drafts made on it, and the bills made payable at its establishment, up to the amount of the sums deposited.

"4. To maintain a bank for voluntary deposits for stock bullion, and gold and silver.

"The bank, both at Constantinople and at the branches, will not discount any commercial bills but those to order, stamped and guaranteed by three signatures, at the least, to notoriously solvent parties.

"The rate of interest for the ordinary operations of the bank will be decided from time to time by the Council of Government, according to local circumstances and the monetary state of Europe.

"12. The bank engages, upon receiving an annual grant of 3,000,000 piastres (£23,000), which the Government will pay it yearly from the day of the foundation of the bank, to keep the exchange at 110 piastres the pound sterling, and for this purpose it will be enabled to buy and sell bills of exchange on Europe until the period when all the debased silver coin shall be

entirely withdrawn from circulation, when the undertaking on the part of the bank shall cease, as also the subvention granted by Government.

"13. The direction of the bank will be intrusted to a governor, a sub-governor, four censors, and eighteen regents. The governor, sub-governor, and two of the censors will be nominated by the Sultan; the other two censors and the eighteen regents by the shareholders.

"The governor, sub-governor, and the censors will be specially charged with seeing to the strict execution of the laws, statutes, and rules of the bank, and of verifying at all times the existence of the amount of specie deposited at the bank. The general direction and superintendence of the operations of the bank will be exclusively confided to the eighteen regents.

"The governor or sub-governor will preside at the council of administration, but without power of voting at its deliberations.

"14. The code of commerce in force at the Court of Tidjaret shall be promulgated by Imperial firman, as a law of the state, and communicated officially to the foreign legislations as well as the present statutes.

"15. The bank will publish every week a balance-sheet showing its position.

"16. The accounts shall be examined and balanced every six months, in order to calculate the dividend, and shall also be published.

"17. At the request of the Government the bank will undertake the receipts and payments of the Government, like other European public banks.

"For all temporary advances which it may make to the Government in anticipation of the said receipts, it shall receive Treasury Bonds at thirty to ninety days, at the option of the bank, with the usual banker's commission. These bonds, bearing interest at 6 per cent. per annum, shall never exceed the amount of from 20,000,000 to 30,000,000 piastres (£155,000 to £230,000), for besides the sums mentioned in Art. 4, the bank shall not have power to make new advances to the Imperial Government until after the payment of two-thirds at least of the State bonds for 550,000,000 piastres.

"18. The duration of this bank will be thirty years, and one year before the expiration of this term the Government will have power to announce its intention of dissolving it by paying all sums owing to it. The bank engages on its part to pay at the same time all its debts, and to withdraw all the notes in circulation, making payments in specie.

"19. In case at any period of its duration the bank shall lose a third of its subscribed capital Government may oblige it to wind up.

"20. Government will afford military protection to the bank and its branches.

"21. The bank will be entirely exempt from all taxes as far as regards the Government.

"22. Government will promulgate on the opening of the bank new and efficacious laws for the exact and regular payment of debts in general, and bills of exchange in particular.

"23. The Government will promulgate a law for the punishment of every person who shall alter, falsify, or counterfeit the notes, or use the seal of the bank, or commit any other felony.

"24. The Government engages itself not to put into circulation any kind of paper money, neither essams-muntazes nor séhims, nor any other instrument to bearer, either with or without interest, nor to contract a loan in Europe for three years from the date of these articles below 59, nor to grant or permit the exercise of any similar privileges in the Empire to any person or company during the duration of the present bank.

"25. The Government will give to the bank gratuitously the land necessary for the construction of an establishment suitable for its operations, and at the expiration of the term granted the Government will resume possession, and reimburse the bank at the cost of the said establishment.

"26. In case a difference shall arise as to the construction of any clause of the present statutes, or any other dispute between the Government and the bank, the decision shall be submitted to arbitration.

"27. Any change in these statutes must have the approbation of the Government and of a general meeting of shareholders, with a majority of three-fourths of the votes."

UNITED STATES.

The system of Banking and Currency in the United States of America has passed through a variety of phases, and has exhibited a number of difficulties which only time and experience can overcome. The first description of paper money, as far back as 1690, was in the form of *Bills of Credit*, secured on the property and revenues of the Colony; but war soon forced the Colonists to increase this currency to such an extent as greatly to depreciate its value compared with specie. This formed a very powerful difficulty with the States; yet it was made a legal tender, and received in payment of taxes and debts in New England at the rate of 6*s.* the Spanish dollar; in New York at 8*s.*; and in Pennsylvania at 7*s.* 6*d.* These variations in the nominal value of the currency created the greatest confusion, which may be understood by the difference between its nominal and real value in 1748, when these bills, to the amount of 3,000,000 dollars, were issued. A bill on London for £100 in specie was equivalent to a bill for £1,100 of this paper money of New England; for £190 of New York; for £190 of East Jersey; for £180 of West Jersey; for £180 of Pennsylvania; for £200 of Maryland; for £125 of Virginia; for £1,000 of North Carolina; and for £700 of the paper currency of South Carolina. A part of these issues were soon afterwards redeemed at *two shillings* in the pound. But the War of Independence in 1775 called forth the increased demands for an extended currency so that in September of 1799, 160,000,000 dollars were issued; when Congress passed a law that it should never exceed 200,000,000 dollars, which sum it reached at the end of that year. In 1780 and 1781 these bills ceased to have currency: in the latter year the Bank of North America was established at the suggestion of Mr. Morris, who was then Superintendent of Finances, with a capital of 400,000 dollars; but while war was waging, and trade and commerce declined under its ravages, the operations of the Bank were insufficient to attract a specie circulating medium for the Republican States, however judiciously conducted. When the Constitution of the United States was adopted the issue of *Credit Bills*

was prohibited, and gold and silver were the only legal money for the payment of taxes and debts; but however sound this principle may have been, it could not be acted upon, as not more than about 2,000,000 dollars comprised the entire banking capital of the Republic, which amount was invested in the *Bank of North America*, the *Bank of New York*, and the *Bank of Massachusetts*. This sum was found so inadequate that a National Chartered Bank was propounded by Mr. Alexander Hamilton in 1790, when Washington was President, but it was opposed on the ground that the constitution gave no power to incorporate banks—a power probably never thought of in the framing of that document amidst the excitement of political contentions. The question, however, was left for Washington to decide, who gave it as his deliberate opinion that the Constitution gave such power, and in conformity with this opinion the Bank was incorporated; and in 1794 it commenced operations, with a capital of 10,000,000 dollars, of which 8,000,000 dollars were subscribed by individuals, and 2,000,000 dollars by the Government. Of the capital subscribed by individuals 2,000,000 dollars were to be paid in specie, and 6,000,000 dollars in a 6 per cent. stock of the United States. The Charter was limited to 1811; during this period no other banks were to be established, and it paid an annual dividend at the rate of 8½ per cent. An attempt was made to renew the Charter in 1809, but at the end of the term it was allowed to expire.

In 1814, Mr. Dallas made another attempt to establish a National Bank, with a subscribed capital of 5,000,000 dollars, in 100,000 shares of 500 dollars each; three-fifths to be subscribed by corporations and private individuals, and the rest by the United States; one-fifth of the corporation subscriptions to be paid in specie, and the remainder either in specie or six per cent. stock and Treasury notes. The Bank was also to lend to the Treasury 30,000,000 dollars, *when required*, and to be prohibited from selling stock during the war.

The scheme was strongly opposed by the late Mr. Webster, who accused Mr. Dallas of being "wholly ignorant, as his writings and his conduct had shewn, of the principles of currency and finance, or careless, if not ignorant, of the mischievous consequences of his scheme."

In 1816 a new Bank was projected, and on the 10th of April, 1816, a Charter was signed to incorporate a Bank under the title of the *Bank of the United States*, with a capital of 35,000,000 dollars, to be increased by the Senate to 50,000,000 dollars, the additional sum to be distributed amongst the several States; the whole to be divided into 350,000 shares of 100 dollars each. To carry out the proposed scheme a special agent was sent to Europe to purchase specie; and in 1817 and 1818 the sum of 7,311,750 dollars was purchased at a cost of 525,277 dollars. But with its progress every species of jobbing was carried on in the shares, which rose in September, 1817, to 156½ dollars; but this, like all such bubbles, came to an end, and in the following year the fall was so great that the Bank lost between two and three millions, so that it was unable to declare any dividend for a long time. In 1829 it was reported that the Bank had failed to accomplish its object—"a uniform and sound currency." In 1833 the condition of the Bank was reported to the

Congress, and in this year the Treasury withdrew from it 8,000,000 dollars. This produced so serious an effect that the other banks immediately curtailed their credit, and the price of any description of property was greatly reduced in value, whilst innumerable failures took place for want of banking accommodation, and almost any description of labour was suspended.

It was President Jackson, in his Message, December, 1832, that called in question not only the constitutionality of the Bank, but also its solvency. Such an act was of itself sufficient to shake the confidence of the Americans, and lay the Bank prostrate; but when this was followed by the withdrawal of 8,000,000 dollars on account of the Government, all attempts to maintain its position were unavailable by the Bank. And when President Jackson, on his own authority in 1836, issued a circular to the Collectors of the Revenue, to *reject all notes* in payment for State lands, and receive specie only, another blow was levelled against the Bank, and in October, 1839, it was compelled to suspend specie payments, when the total amount in the Bank was 1,045,273 dollars, and the total liabilities 72,178,244 dollars. During the existence of the United States Bank Charter, banks multiplied in all the States with dangerous rapidity. At the time of the adoption of the United States Constitution only three State banks existed, with a capital of only 2,000,000 dollars, or £430,000. In 1811 there were eighty-eight, with a nominal capital of 42,610,000 dollars; in 1820 there were 307 banks, with a capital of 102,110,611 dollars; and in 1830 the number had increased to 330 banks of the nominal capital to 110,184,000 dollars. During the above period no less than 165 of these State banks failed or discontinued business, representing a nominal capital of 30,000,000 dollars, these failures occurring in nearly every State of the Union, arising principally from over-issues and indiscriminate discounts, great ignorance prevailing on the true nature of legitimate banking transactions.

For the following brief description of the principles upon which banking is conducted in New York, the author is indebted to Mr. Edward Haslewood, 22, Old Broad-street, who has brought it before the notice of the Bank Charter Committee.

The disastrous results in the United States during the years 1838-39, when the United States Bank stopped payment, together with almost every other bank in the entire of that great country, taught the sovereign people a severe lesson. The consequence was, that, at a Convention of the people of New York, they determined hereafter to take better care of themselves, and enacted as part of their constitution, which constitution the legislature has no power to alter, that

> "It should be provided by law for the registry of all bills or notes issued, or put in circulation as money, and shall require ample security for the redemption of the same in specie. Also, that in cases of insolvency of any bank or banking association, the note-holders thereof shall be entitled to preference in payment over all other creditors of such bank or association."

There can be no mistake here in the intention of *the people*, that whatever was circulated as money should be made as secure as possible.

When this bank law was first enacted it contained provisions which have

since been found to be very objectionable, and, from time to time, these provisions have been altered and amended until the present Act, now in force, is scarcely the same Bill. The securities of *any* State can no longer be the basis of banking in New York—only her own stocks or those of the Federal Government being accepted. From 1838 until this date scarcely a year has elapsed in which some alteration has not been made under the recommendation of the Comptroller of the State or the Superintendant of the Banks.

It was also enacted that all banks then in existence should, at the termination of their charters, either come under the provisions of this law, and deposit securities as collateral to cover the notes in circulation, or else within three years from the termination of their Charters to withdraw their notes; and in the meantime, from the date of the passing of the Act until the expiration of their Charters, their circulation was to be limited to the amount in circulation on the 1st July, 1843; and to prevent any over-issue, they were obliged to have their notes countersigned and registered by the Comptroller; and we have now to put the details of the present New York free bank law before our readers, premising that "from the first it worked like a charm," and at this time "they are banking with £20,000,000 of capital, with about £6,000,000 of circulating notes, and having £2,000,000 of specie. The system is satisfactory to the capitalist, and entire confidence in its security to the note-holder exists. It is admirably adapted to the business wants of our citizens, and is being adopted, with slight modifications, by many of the other States of our union." The population of the State is only 3,000,000.

Any number of persons may form a bank, but the capital must not be less than 100,000 dollars; they must sign a form, stating the name they have assumed for corporate purposes; their place of business; the amount of stock; the number of shares; names and residences of shareholders, and number of shares held by each; the capital can be increased, but not diminished; the stockholders are all individually liable to the amount of *twice* their nominal subscriptions; quarterly reports to be given of the country banks; weekly reports to be given of the city banks.

The notes issued by any of the Corporations under this free bank law must be secured by the deposit of stocks of a greater value than the amount issued, so that the convertibility into gold is made as secure as possible; and the holder of a note knows that if, under any future circumstances, the Bank should fail to redeem it in coin, he has at least good 5 per cent. stock to fall back upon; because the only securities now permitted to be deposited are United States Federal Stocks, and those of the State of New York. All other States are excluded, as are New York City Stocks, County Stocks, &c.

In the State of New York there is, as part of its executive, a bank department, and the duties of the superintendent are—to superintend the carrying out of the bank laws of that State; to *retain possession of the plates and dies;* to order the printing of the notes; to countersign all the notes now in circulation, thus preventing a fraudulent issue; to hold in trust all the stocks and securities deposited as collateral for the bank notes issued; to sell these securities on the first default of the bank to pay its notes in gold, and to call in the notes and divide the proceeds of the securities among them. The expenses of the

superintendent and his department are defrayed by a *pro-rata* charge in each bank according to the amount of its issues.

The law still permits of mortgages forming as much as half of the collateral security, but this permission is so hemmed in by the law that it is of little moment; besides, the commercial community give so large a preference for those notes that are secured by State stocks only, that they force the others aside. The restrictions are, that each mortgage shall be for only £1,000; that each estate shall be worth at least £2,500; that the houses and buildings shall not form any part of the estimate ; no other mortgage or incumbrance on the estate; the mortgage shall bear 7 per cent. interest; the mortgages shall not exceed half the collateral security. This permits small freehold farmers to combine and form their own bank, having a circulation purely local.

Such are the leading features of this bank law; and as the questions of giving security for the issues of country banks, and of permitting an increased issue by the Bank of England by the deposit of additional consols, have been again before the public, and are likely to form a part of the enquiries by the Committee of the House of Commons in the Bank Charter, we have given a short detail of the system which has been found to work most satisfactorily in New York.

CHAPTER IX.

FOREIGN FUNDS.

FOREIGN SECURITIES NEGOCIATED IN LONDON.

There are certain Foreign Securities negociated in London which are quoted upon the official lists of the Stock Exchange: it does not follow from this that other securities may not be negociated in London, but those inserted in the Official List forms the basis of the principal Foreign Securities dealt in on the London Stock Exchange. The following is a list of those securities as published by J. B. Wetenhall, under the authority of the Stock Exchange Committee:—

Foreign Stocks.	Dividends due.	Payable at
Austrian Bonds	Jan. 1, July 1	Rothschild & Co.
Brazilian 5 per Cent., 1824 & 1825	April 1, Oct. 1	,, ,,
Ditto 4½ per Cent., 1852	June 1, Dec. 1	Fletcher, Alexander, & Co.
Ditto New 5 per Cent., 1829 & 1839	April 1, Oct. 1	T. & W. King.
Ditto ,, ,, 1843	June 1, Dec. 1	,, ,,
Buenos Ayres 6 per Cent.		Baring Brothers.
Cuba 6 per Cent.	March 5, Sept. 5	Baring & Co.
Ditto, Matanza, & Sabanilla 7 per Cent.	June 15, Dec. 15	I. H. Schröder & Co.
Chilian 6 per Cent.	March 31, Sept. 30	Baring Brothers.
Ditto 3 per Cent.	,, ,,	,, ,,
Danish 3 per Cent., 1825	,, ,,	C. J. Hambro & Sons.
Ditto 5 per Cent.	March 1, Sept. 1	,, ,,
Dutch 2½ per Cent. Ex 12 gulden	Jan. 1, July 1	Coupons negociable
Ecuador New Consolidated	May 1, Nov. 1	Ecuadorian Commission.
Granada New Active 2¾ per Cent.	April 1, Oct. 1	Baring Brothers.
Ditto Deferred		,, ,,
Greek		
Guatemala 5 per Cent.	Feb. 1, Aug. 1	
Mexican 3 per Cent.	Jan. 1, July 1	Mexican Agency.
Peruvian 4½ per Cent.	March 1, Sept. 1	A. Gibbs & Son.
Ditto 3 per Cent	April 1, Oct. 1	,, ,,
Portuguese 3 per Cent., 1853	Jan. 1, July 1	Portuguese Agency.
Ditto ,, 1856	,, ,,	,, ,,
Russian 5 per Cent., 1822, in £ sterling	March 1, Sept. 1	Coupons negociable.
Ditto 4½ per Cent.	Jan. 1, July 1	Baring Brothers.
Sardinian 5 per Cent.	June 1, Dec. 1	C. J. Hambro & Co.
Spanish 3 per Cent.	Jan. 1, July 1	Spanish Agency.
Ditto 3 per Cent. Deferred	,, ,,	,, ,,
Ditto Passive		
Ditto Committees' Certificate of Coupon not paid		
Swedish 4 per Cent.	June 1, Dec. 1	Palmer, Mackillop, & Co.
Turkish 6 per Cent.	April 10, Oct. 10	,, ,,
Ditto 4 per Cent. Guaranteed	Feb. 1, Aug. 1	Bank of England.
Venezuela 4¾ per Cent.	April 1, Oct. 1	
Ditto Deferred 1½ per Cent.	,, ,,	,, ,,
Dividends on the above are payable in London.		
Austrian 5 per Cent., 10 guilders per £ sterling	May 1, Nov. 1	Negociable Coupons.
Belgian 2½ per Cent.	Jan. 1, July 1	,, ,,
Ditto 4½ per Cent.	May 1, Nov. 1	,, ,,
Dutch 2½ per Cent. Exchange 12 gulden	Jan. 1, July 1	,, ,,
Ditto 4 per Cent. Certificates	April 1, Oct. 1	,, ,,
French Rentes 3 per Cent.	June 22, Dec. 22	,, ,,
Ditto 4½ per Cent.	March 22, Sept. 22	,, ,,
Peruvian Dollar Bonds	May 23, Nov. 23	,, ,,

In order to know the nature of the foregoing securities a brief sketch will be given of each in the order in which they stand in the foregoing table, as well as a brief view of the financial condition of each State.

AUSTRIA.

Austrian Five per Cent. Loan of 35,000,000 florins, or £3,500,000, was contracted in London by Messrs. Rothschild in May, 1852, at the rate of 90 for every £100, in a 5 per cent. stock, with an allowance of 3 per cent. for payments in anticipation; the dividends payable in London, or in Paris at the exchange of 25.50 per £ sterling, or at Frankfort at the exchange of 121 florins per £10 sterling. The redemption of the loan to be made by a sinking fund of 1 per cent. with the right of the Austrian Government to increase it to 5 per cent. after the year 1862. The bonds are issued in sums of £100, numbered from 1 to 35,000, and those issued in London bear the numbers from 1 to 22,500. The bonds extinguished by the sinking fund are drawn by lot; the first drawing was on the 1st of January, 1853, and the next on the 1st of July following, and so on every year.

Austrian Five per Cents. of 30,000,000 florins, or £3,500,000, payable in Vienna. This loan was contracted with Messrs. Rothschild, in 1823, at 82 per cent., in bonds of 1,000 florins, bearing interest at 5 per cent. per annum, and at a fixed exchange of 10 florins or guilders for £1 sterling, payable on the 1st of May and the 1st of November in each year. The coupons can be realized in London at the exchange of the day.

The finances of the Austrian Government have for a number of years exhibited a large deficiency. The balance sheet to the close of 1856 however shows an improvement in the *Revenue*, the total amount being £27,316,000 against £26,378,000 in 1855.

The total debt of the State, including the debt due to the Bank at the end of 1846, was about £103,750,000: from that year the deficits have been as follows:—

	£
In 1847	706,000
1848	4,511,000
1849	12,190,500
1850	5,486,400
1851	6,222,000
1852	5,344,700
1853	6,500,000
1854	9,500,000
1855	9,889,000
1856	6,235,567

The additions made to the public debt of Austria since 1848 have been very large; and the interest and management in 1856 amounted to

£8,803,000. The following statement shews the nominal amount of debt contracted by the State since 1848:—

		£
Amount of debt to 1848		103,700,000
1849	Four-and-a-half per cent. loan in paper money	7,100,000
1849	Five per cent. loan in silver	3,500,000
1850	Five per cent. loan ditto	4,300,000
1851	Five-and-a-half per cent. ditto	7,500,000
1852	Five per cent. loan in paper money	8,000,000
1852	Foreign five per cent. loan in silver	4,000,000
1854	Lottery loan at four per cent.	5,000,000
1854	Five per cent. loan in silver	3,500,000
1854	National five per cent. loan	50,600,000
		197,200,000
	Bank debt	41,100,000
	Total	238,300,000

To the above amount has to be added the coupons of interest, capitalized from 1848 to 1851, the sum of £3,200,000, making the aggregate of the public debt of Austria to 1855, £241,500,000.

By the terms issued at Vienna in March, 1854, the lottery loan was to be redeemed by annuities at 1½ per cent. or 750,000 florins in fifty years, by two drawings in every year as under:—

	Florins.
1st five years	from 300 to 200,000
2nd ditto	from 300 to 170,000
3rd ditto	from 300 to 140,000
4th ditto	from 300 to 110,000
5th ditto	from 300 to 100,000

and so on in the same proportion for every five years.

The loan of £50,600,000 was contracted for the avowed purpose of restoring the paper currency to its full nominal value, and for meeting the extraordinary expenses of the State consequent on the expenses arising from the war between Russia and Turkey. The price at which the bonds were issued was 95 florins for every 100 florins in bank paper, the interest payable in silver or gold, in the proportion of 1 mark of fine gold to 15½ marks of fine silver, half-yearly, on the 1st of June and the 1st of December. The option of paying in gold or silver to be left to the Ministry of Finance. The bonds were issued in sums of 20, 50, 100, 500, 1,000, 5,000, and 10,000 florins each.

The principal sources of the Austrian revenue are the land-tax, which amounts to about £6,000,000 per annum: the tax upon consumption, £2,927,000: the tax upon salt and tobacco, about £2,550,000 each: the stamp duties yield about £2,750,000: the tax upon houses, £1,050,000: and the tax upon income, £733,000. The revenue derived from external taxation by Austria is very small, the Custom's duties yielding only about £2,000,000 a year.

The exports from Great Britain in 1856, £968,145.

BELGIUM.

There are two descriptions of Belgian securities quoted upon the London Stock Exchange, the *Four-and-a-Half* per Cent. and the *Two-and-a-Half* per Cent. Bonds, which form a part of the public debt of Belgium; the dividends on the former are due the 1st of May and the 1st of November, and on the latter on the 1st of January and the 1st of July; the coupons are payable in London, Paris, Brussels, and Antwerp. The following statement shews the component parts of the Consolidated Debt of Belgium on the 1st of May, 1857:—

PUBLIC DEBT OF BELGIUM ON THE 1ST MAY, 1857.

Year.	Origin of the Debt.	Nominal Capital.	Price of Issue.	Rate of Interest.	Unredeemed Capital.
		Francs.	Per cent.	Per cent.	Francs.
	Part of the old debt of Holland ..	16,931,200	92	5	16,931,200
	Ditto ditto ..	220,105,632	92	2½	220,105,632
1836	Canals, railways, &c.	30,000,000	92	4	20,039,000
1838	Railways ..... / Indemnity for war	50,850,800 / 7,624,000	73½	3	39,192,333
1842	300,000f. of 5 per cent. Rentes for the City of Brussels	6,000,000	Par.	5	6,000,000
1844	Conversion of 5 per cent. Treasury bonds	95,442,832	Par.	4½	80,809,182
,,	Reimbursement to Holland on a nominal capital of 169,312,000f. at 2½ per cent.	84,656,000	Par.	4½	78,510,000
1852	Public works	26,000,000	100½	5	25,119,000
1856	Conversion of 5 per cent. loan of 1840, 1842, and 1848, and Treasury bonds	157,615,300	Par.	4½	155,408,300
	Total....	695,225,764			642,114,647
	or	£27,809,030		or	£25,684,585

The annual revenue of Belgium has increased considerably since 1849, the year subsequent to the French Revolution, as well as the expenditure, which may be seen by the following statement:—

	Revenue.	Expenditure.
	£	£
1849	4,554,857	4,491,043
1850	5,315,087	4,749,236
1851	4,773,746	4,745,098
1852	5,138,048	5,273,943
1853	5,578,730	5,380,436
* 1854	6,106,922	5,726,891
* 1855	5,790,069	5,955,615
* 1856	6,029,660	6,552,992

The following statement shews the value of the imports and exports in each year from 1850 to 1855:—

	1850.	1851.	1852.	1853.	1854.	1855.
	£	£	£	£	£	£
Imports....	17,697,240	17,802,680	20,960,840	22,568,680	24,877,920	27,145,480
Exports ..	18,804,600	18,350,000	20,863,320	25,205,320	28,539,080	27,921,920
Totals	36,501,840	36,152,680	41,824,160	47,774,000	53,417,100	55,067,400

* Taken from the budgets of each year.

The charge of the public debt has considerably increased since 1849: in that year it amounted to 30,113,488f., while for 1856 it has been estimated at 37,635,995f. or £1,505,439, being equal to about one-fourth of the estimated income of the Government.

The railways in Belgium have become an important source of revenue to the State; in 1846 the income derived from them was 13,572,000f. or £542,880, and in 1856 it was 23,619,500f. or £944,780.

The principal commerce of Belgium is carried on with France and Great Britain. The value of the exports from the United Kingdom in 1856 amounted to £1,689,975.

BRAZIL.

The Five per Cent. Loan of 1824 *and* 1825.—This loan is comprised of two amounts, the first £1,686,200 was contracted by Messrs. Rothschild, Thomas Wilson, & Co., in 1824, at 75 per cent.; and the second in 1825 by Messrs. Rothschild, at 85 per cent. The bonds were issued for sums of £100 to £1,000 each. The sinking fund is 1 per cent. per annum. The Customs' revenues are specially pledged as a security for the redemption of this loan.

The New Five per Cent. Loan of 1829 *and* 1839.—The first portion of this loan, amounting to £800,000, was contracted at 54 per cent., to meet the overdue interest on the public debt, which had been brought on by a war against Buenos Ayres. In 1839 a loan of £312,512 was contracted at 78 per cent., to cover the deficiencies in the revenue.

The Five per Cent. Loan of 1843.—This loan, amounting to £732,000, was effected to accomplish a financial arrangement between Portugal and Brazil, in pursuance of a treaty made between the two Governments in 1842, by Brazil engaging to transfer stock to the Portuguese agency, to the amount of the loan, in discharge of all claims on the part of Portugal. The negociation was effected through Sir Isaac Lyon Goldsmid, by an issue of bonds at 85 per cent.

The Four-and-a-Half per Cent. Loan of 1852.—This loan, amounting to £954,250, was contracted to pay off the remainder of a 5 per cent. loan of £1,500,000, contracted by Portugal in 1823, at 87 per cent. On the Government of Portugal recognizing the independence of Brazil, Don Pedro undertook to discharge that loan, and for which purpose this loan was effected with Messrs. Rothschild at 95 per cent., which terminated the financial affairs between Brazil and Portugal, and the whole of the bonds of the Portuguese loan were cancelled at the Bank of England on the 23rd June, 1854.

The credit of Brazil has been strictly maintained, and the operations of the sinking fund strictly adhered to; the bonds are, therefore, frequently at or near par, in the London money market.

The revenues of Brazil, under a revised tariff and an internal tranquillity,

have for several years yielded a considerable surplus, as shewn in the following statement :—

	Revenue. £	Expenditure. £	Surplus. £
1849-50	3,035,006	2,693,568	341,438
1850-51	3,552,404	3,134,745	417,659
1851-52	4,010,220	3,559,059	451,161
1852-53	3,970,202	3,523,555	446,647
1853-54	3,825,000	3,540,694	284,506
1854-55	3,634,712	3,290,646	344,066
1855-56	3,825,000	3,649,640	275,360
1856-57	3,825,000*	3,800,800	24,200

By a report of the Minister of Finances, the amount of the internal debt of Brazil, in January, 1856, was £8,815,950, and the foreign debt £5,839,000, making the total £14,654,950. This is exclusive of a funded debt created by the province of Rio Janeiro, amounting to nearly half a million sterling.

The value of British exports in 1856, £4,084,537.

BUENOS AYRES.

Buenos Ayres 6 per cent. Loan of £1,000,000.—This loan was contracted in 1824 with Messrs. Baring, at 85 per cent., on the security of the lands and revenues of the Republic; with a sinking fund of one-half per cent. per annum. The bonds were issued in sums of £500 each, and the dividend payable on the 12th of January and the 12th of July in each year, but no regular dividends have been paid since 1829, and only £23,000 of the capital has been redeemed. The last payment was made by Messrs. Baring on the 3rd of June, 1857, amounting to half of the coupon (£7 10*s.*), dated the 12th January, 1830, so that there still remains in arrear twenty-six and a half years' interest to January last. Several attempts have been made to come to an arrangement for a settlement of this debt, and in December, 1853, the Committee of the Spanish American bondholders sent out Mr. Giro for that purpose, but no proposition that has been made has yet been acceptable to the bondholders. Great complaints have been made that the Government of this Republic have made no efforts to meet the engagements of its foreign creditors.

The following proposition was made by the Government to the bondholders in March, 1856 :—

" MEMORANDUM OF BASIS PROPOSED BY THE GOVERNMENT OF BUENOS AYRES FOR THE SETTLEMENT OF THE DEBT DUE FOR THE LONDON LOAN.

" To provide for the full payment of the interest and sinking fund of the original debt, in the manner following :—

" In 1857, £36,000; 1858, £48,000; 1859, £60,000; 1860, and thereafter, £72,000 annually, for the payment and interest of sinking fund. For the payment of interest overdue at the present date to issue and deliver to the bondholders new bonds of the value of £20 or £50 each for the total amount thereof. These new bonds not to bear interest, but provision to be made for their payment in manner following :—There will be assigned to their payment the full product of the *canon enfitentico* at present over due (save and except a sum which will not exceed £15,000 to pay off " the classified debt" still existing in circulation), as also the full *canon enfitentico* which becomes due and is hereafter collected (save and except that derived from public lands belonging to the Ejdos of towns in the country appropriated to them respectively by the law of municipalities), it being

* Estimated in the Budget for the financial year.

understood that this said assignment from and after 1861 shall not fall below £60,000 annually; and, in case of deficit, it is to be made up out of the other revenues of the State.

"Provision will be, moreover, made for the extinction of this debt due for arrear interest by the Government becoming obliged to receive the bonds issued for it in payment of all public lands sold in the country (excepting the areas of towns) at their written value (par) at the current exchange on the day of such payment, five hard dollars to be computed for the pound sterling.

"For the interest accruing between 1857 and 1860 bonds will be issued in the like manner, and under the same conditions of payment as those proposed to be issued for the arrears of interest due at the present time.

"*Buenos Ayres, March* 8, 1856." "RIESTRA.

At a meeting of the bondholders, held on the 2nd of June, 1856, these terms were considered satisfactory by the Committee as far as the *principal* of the debt was concerned; but they objected to the conditions submitted respecting the arrears of *interest* due. Mr. Giro, the Commissioner for the Bondholders' Committee, in connection with the Finance Minister, suggested the propriety of converting the arrears of interest into a Three per Cent. Stock, an arrangement which the Committee were desirous should be carried out. The following resolutions were put and agreed to:—

"That this meeting, having taken into consideration the propositions made by the Government of Buenos Ayres for the adjustment of its foreign debt, contained in the letter of His Excellency the Minister of Finance to Mr. Giro, dated the 8th of March, and the reply given thereto by Mr. Giro, dated the 28th of March, desires to express its entire concurrence with that reply.

"That the proposal to liquidate the arrears of the said debt by the issue of bonds to bear no interest, being not only inconsistent with the obligations of justice, but a mode of settlement which has not been adopted or even proposed in any adjustment with any of the other late Spanish American States, cannot, under any circumstances, be agreed to by the bondholders.

"That this meeting, in requesting the Committee of Spanish American Bondholders to continue its exertions to bring this long-pending negotiation to a close, cannot but express its satisfaction at the prospect now afforded to the bondholders of a speedy and satisfactory termination thereof.

"That this meeting authorises a deduction to be made through the medium of the agents in London of the Buenos Ayres Government from the bonds to be issued for the aforesaid arrears of interest of 5 per cent. on the amount of such bonds, to be placed at the disposal of the Committee of Spanish American Bondholders for the remuneration of the parties who have been instrumental in bringing about such adjustment, and for the payment of the expenses which have been incurred by the committee in this matter, and for their remuneration.

"That this meeting desires again to record its sense of the valuable support given to the representative of the Committee in Buenos Ayres by the Right Hon. the Earl of Clarendon, Her Majesty's Principal Secretary of State for Foreign Affairs."

Some further arrangement of the foreign debt is anticipated, but the point at issue is the rate of interest which the new bonds shall bear for the arrears of interest. It is reported that the Minister of Finances considers 3 per cent. more than the Government is able to pay, and that bonds carrying a less rate must, therefore, be accepted, if any permanent arrangement is to be made.

The unsettled state of this Republic has for several years interfered with its internal prosperity, though it possesses all the natural elements of wealth within its territories.

The value of exports to Buenos Ayres from the United Kingdom in 1856 amounted to £998,329.

CHILI.

The first Chilian loan contracted in this country was in 1822, with Messrs. Hullett Brothers; the amount was £1,000,000, at 70 per cent., in bonds of £100 each, bearing interest at 6 per cent. per annum, the sinking fund to be £20,000 a-year. The revenues of the State were pledged as security; but only the first two dividends, which were deducted from the original sum, were paid between September, 1826, and 1842, when an arrangement was entered into with the Committee of Spanish American bondholders to resume payment of interest on the unredeemed debt, amounting to £934,000, and to capitalize the arrears of interest then due, amounting to £756,500, which should bear interest at the rate of 3 per cent. per annum, from September, 1847; this last amount formed what is termed the *Three per Cents.* The sum of £70,000 is annually remitted to discharge the interest on the 6 per cent. loan, and the remainder, £13,960, is applied to the sinking fund. It was arranged, also, to remit an annual sum of £30,260 for the payment of interest on the 3 per cent. capital, applying the surplus to the redemption of the debt. The sinking fund on both capitals is an accumulative one, and the Government reserves the right of redeeming the 6 per cents. by purchase of the bonds when below par, and by drawing when at or above par.

The total amount of the public debt of Chili has been gradually reduced, and on the 1st of January, 1855, stood at £1,850,671, of which the external debt amounted to £1,396,562.*

At the time when Chili arranged with her creditors in 1842, she stated that the reason why she could not pay her arrears of coupons was because Peru was largely indebted to her and could not then pay. Since then Peru has paid Chili £600,000 in hard cash, but Chili has not paid off any extra portion of the 3 per cents. in consequence.

The principal source of the revenue is derived from the Customs, arising from an improved tariff. The following statement shews the progress of revenue and expenditure:—

	Imports.	Exports.	Customs.	Revenue.	Expenditure.
	£	£	£	£	£
1848.....	1,720,311	1,447,493	388,107	710,532	754,549
1849.....	2,144,543	1,884,844	464,735	807,057	725,476
1850.....	2,357,638	2,278,490	525,488	866,862	816,093
1851.....	3,176,994	1,933,270	545,901	885,382	942,429
1852.....	3,069,466	2,453,297	713,000	1,096,096	987,460
1853.....	2,310,739	2,246,168	671,908	1,110,496	1,060,942
1854.....	3,885,659	2,655,683	742,663	1,193,948	1,239,053
1855.....	....	....	....	1,257,515	1,239,000

The greatest portion of the commerce is carried on with Europe, in which England ranks first.

The exports from Great Britain in 1856 amounted to £1,396,446.

* The actual amount of the 6 per cent. loan due on the 31st March, 1857, was £625,500, and £627,700 on the 3 per cent., making the total £1,253,200.

COLUMBIA.

The Debt, formerly known under the above name, does not appear in the official list; but it has been introduced to show the changes it has undergone. The Republic of *Columbia* formerly comprised the three provinces of New Grenada, Venezuela, and Ecuador; but they have since been divided into separate States, having their own Governments. The Columbian Loans were originally contracted in London. In 1822 Messrs. Herring, Graham, & Co. entered into a contract for £2,000,000 at 84 per cent.; and in 1824 Messrs. B. A. Goldschmidt contracted for a loan of £4,750,000, at 88½ per cent. Both of these loans were raised by issuing bonds in sums of £100, £250, £500, and £1,000 each, bearing interest at the rate of 6 per cent. per annum. The interest, however, soon fell into arrear, and the dividends on the first loan were suspended in May, 1826, and on the second case after January in that year. The revenues of this Republic were all pledged as security for the repayment; but this was nothing but a mockery to the bondholders The loans were borrowed to carry on a war of independence against the Spanish Government, for which there was a kind of mania at the time in England. It was not until 1834 that any definite arrangement was attempted. The three provinces of New Granada, Venezuela, and Ecuador, had originally united to throw off the Spanish power; it was for this purpose that the Columbian loan was raised, and on their separation it was necessary that each province should bear a part of its liquidation. A convention was entered upon by the Deputies of each State in December, 1834, when it was determined to divide the original debt into the following proportions, and to throw on each State the responsibility of payment:—

			£	s.	d.
New Granada..	50	per cent.	3,512,975	0	0
Venezuela.	28½	„	1,888,395	15	0
Ecuador	21½	„	1,424,579	5	0
	100		£6,625,950	0	0

The arrears of interest then due were divided into the same proportions. These debts are treated of under their respective heads.

CUBA.

The Cuba Six per Cent. Loans were contracted in London in 1834 and 1837. In the first year only £450,400 was taken, and in the latter year £112,600, making the total £563,000. Of this sum about half the amount has been redeemed. The interest and sinking fund are secured on the revenues and railway returns of the Royal Agricultural Association of Cuba, which are derived from the export and import duties of the island.

Matanza and Sabanilla 7 per cent. Railway Bonds form a portion of the Cuba external debt. The original amount was £200,000, in bonds of £100 each. The sinking fund is equal to 7 per cent. per annum of the original capital, or £14,000; three of these payments have already been made, reducing

the capital of the loan to £158,000; the coupons are payable in London half-yearly, on the 15th of June and the 15th of December, by Messrs. I. H. Scrhröder & Co., Leadenhall-street.

The value of British exports in 1856, £1,317,062.

DENMARK.

The Danish Three per Cents. were originally contracted in London in 1822, to the amount of £3,000,000, at 77½ per cent. In 1825 a new loan was created to pay off the unredeemed part of the first loan, which then amounted to £1,330,000. The Danish proposal was for £5,500,000, of which £3,500,000 was taken by Messrs. Thomas Wilson & Co. at 75 per cent., the remainder being reserved by the Danish Monarch to be distributed at his pleasure. But the remainder was subscribed for in 1838. The bonds were for £100 to £1,000 each; the sinking fund is one-half per cent., with a special arrangement to redeem the whole amount within sixty years from the date of the contract.

The payment of interest and sinking fund were guaranteed upon the revenue derived from the Sound Dues; mortgage securities for money advanced to West India proprietors, and the revenues of the islands of St. Croix, St. John's, and St. Thomas. The Sound Dues have recently been abolished, in pursuance of a convention entered into by the Danish Government, Great Britain, and other Powers, by which the annual sum has been capitalized into a fixed amount to be paid by the respective Governments. The total sum of these dues has been estimated, upon twenty-five years' purchase, to amount to 30,476,325 rigs-bank dollars, or £3,386,258. The following statement shews the apportionment to each State according to the fourth article of the treaty of the High-contracting Powers:—

"Art. 4. The compensation to be allowed to Denmark by the high-contracting parties to this treaty, is a total sum of 30,476,325 rix-dollars, levied as follows upon each State:—

	Rix-b. Dollars.
Upon Great Britain	10,126,855*
,, Austria	29,444
,, Belgium	301,445
,, Bremen	218,585
,, France	1,219,003
,, Hamburg	107,012
,, Hanover	123,387
,, Lubeck	102,996
,, Mecklenburg	373,663
,, Norway	667,225
,, Oldenburg	28,127
,, Netherlands	1,408,060
,, Prussia	4,440,027
,, Russia	9,739,993
,, Sweden	1,590,503
Total	30,476,325
or	£3,386,258

* Taking the rix-dollar at 9⅓ to the £ sterling, the amount levied upon Great Britain is £1,125,200; and each State is responsible only for its own share. We understand this amount has been paid into the hands of C. J. Hambro & Son in liquidation of the Danish loan.

"Art. 5 extends the payments over forty years by equal half-yearly instalments, to cover both capital and interest accruing on instalments not due.

"Art. 6. Each contracting party engages to determine the mode and place of payment by a separate convention, in which the rate of conversion into foreign money shall be specified in Danish currency: and the terms of redemption, whether partial or entire, to be left to each of the contracting Powers. The seventh and eighth article simply refer to the formality of reciprocal duties."

The amount apportioned to England is intended to be applied to the liquidation of a part of the loans at present due.

Danish Five per Cents. 1849.—This loan was issued for £800,000, but only £150,000 of it was subscribed for in London by Messrs. C. J. Hambro and Son, at 86 per cent.; one-half was taken by the Bank of Copenhagen, and the remainder by other parties. The sinking fund is 1 per cent., and the dividends are payable on the 1st of March and the 1st of September. The total revenues of Denmark are pledged for the redemption of the loan and the payment of interest.

Danish Five per Cents. 1850.—This loan was contracted with Messrs. C. J. Hambro & Son for £800,000, at 90 per cent., in order to meet the extraordinary demands on the Dutch Treasury arising from the war in Schleswig-Holstein. The security given for this loan was the land-tax, which was to be specially applied to its redemption, and the payment of interest. The average amount of this tax, as stated in the conditions for the five years ending 1847, was £265,642, at 9⅛ rigs-bank dollars to the £ sterling, of which £48,000 were to be applied for the interest and redemption of the loan of 1849.

Denmark has had to encounter many difficulties through the war with the Duchy, but her credit has been strictly maintained with the public creditor. The revenues for the year ending March 30th, 1856, amounted to 22,641,971 rigs-bank dollars, or about £2,515,770, and the expenditure to 26,384,288 rigs-bank dollars, or about £2,931,580, being a deficiency of £415,810. The total debt of Denmark to the same date amounted to 119,000,000 rigs-bank dollars, or £13,222,000, of which about £5,600,000 is internal debt, and the remainder consists of the external debt. British exports in 1856, £1,653,856.*

ECUADOR.

This debt, which is a portion of the old Colombian loan, is £1,424,579, besides the portion of the arrears of interest which, in July, 1853, amounted, according to the bondholders' committee, to £2,307,818. In November, 1853, a Decree was signed by the Government of the Republic to issue new bonds, recognizing £1,824,000, arising from the Colombian bonds of 1824 and 1826, of which £1,424,000 was to be considered as equivalent to the 21½ per cent., and one £400,000 which it capitalizes as the extinguishment of one-half the overdue interest. Interest at the rate of 1 per cent. per annum is guaranteed at a *minimum;* but if 25 per cent. of the customs' revenues amount to more than the guaranteed interest, then it is to be applied as interest on the bonds up to 6 per cent. per annum. This arrangement, which was made by

* Includes West India Islands and the Duchies of Holstein and Schleswig.

Mr. Mocatta, under the supervision of the Committee of Spanish American Bondholders, has been most faithfully performed to the letter. A portion of the arrears of interest on the Old Colombian bonds was commuted into Lands Warrants, representing a capital of £566,000, which are convertible into land; and Mr. Pritchett, the agent of the Ecuatorian Commission, is now at Quito examining the lands, and obtaining their prices from the Government. Tobacco and cocoa are two of the principal products of this country; and should the introduction of chocolate as a beverage of the middle and lower classes of Europe ever take place, it will have the effect of enriching this country, and enable it to pay a much higher interest than a mere 1 per cent. per annum on this debt.

The trade, commerce, and revenue of this Republic are at present very insignificant in amount. The exports from Great Britain in 1856 amounted only to £22,878.

FRANCE.

There is no specific kind of French loan negotiated in London, as the French Government contracts for loans in its own territories; but what are termed *Rentes* * can be negotiated at all times in London. There is, however, a difference in the mode of negotiating for any part of the public debt of France, compared with the practice in England; for while the purchaser or seller of English Stock negotiates for so much *capital* of the debt, in France, only the *Rente* or annuity is dealt in. But the mode of ascertaining the capital of each description of *Rente* is very simple. Thus:—

				f. c.	
In 5 per cent.	*Rente*	1 franc	=	20. 0	capital.
In 4½ ,,	,,	1 ,,	=	22.22	,,
In 4 ,,	,,	1 ,,	=	25. 0	,,
In 3 ,,	,,	1 ,,	=	33·33	,,

To ascertain the nominal capital of any of the above *Rentes* it is only necessary to multiply it by the above numbers. For instance, if it be required to know the capital of 1,000 francs in the 5 per cent. *Rentes*, multiply it by twenty, which gives the nominal capital 20,000 francs, and so on of any other description. French dividends are payable in Paris, and can be received by any agent, to whom a power of attorney is given by the proprietor, or by depositing with him the certificate of the inscription. The dividends are remitted to London in bills of short date, at the exchange of the day, less the commission and charge of postage. Every annuitant has his name entered into the *Grand Livre*, or Great Book, which is divided into a number of series. At certain periods this book is "shut," the same as at the Bank of England, eighteen days before the dividends become due on each description of Stock.

To convert French Stocks into English value, the *Rente* must be multiplied by one of the proportionate numbers given above, according to the description of the Stock. For instance, if the price of the 5 per cent. *Rentes* is 105f. on the Bourse, then—

	f.		f.		f.		f.
As	100	:	105	: :	20	:	21

* *Rente* signifies an annuity.

If the transaction be in the 4 per cent. *Rentes*, say at the price of 95 francs, then—

	f.		f.		f.		f. c.
As	100	:	95	: :	25	:	23.75

Supposing the rate of exchange to be at 25f. 50c. the £ sterling in each case, the 21f. would be equivalent to 16*s.* 5.6*d.*, and the 23f. 75c. equivalent to 18*s.* 7.5*d.* When a sale of *Rente* takes place in London the certificate, or a copy of it, must be left with a public notary one day, for the purpose of preparing a power of attorney, which may be executed next day; but to render it legal it must be examined by the French Consul. The same regulations are necessary for purchase, except that in Paris one-eighth is there added for the transfer, making the brokerage ¼ per cent. The charges for a transfer in Paris are about ¾ per cent. on the sums expended, to which has to be added the brokerage in London.

The public debt of France has been greatly augmented within the last few years, but more especially by loans contracted during the Russian war with Turkey. These loans were as follow:—

			Francs.		£
First loan.....	March,	1854.....	250,000,000	or	10,000,000
Second loan.....	December,	1854.....	500,000,000	,,	20,000,000
Third loan.....	July,	1855.....	750,000,000	,,	30,000,000
			1,500,000,000		60,000,000

These loans were each spread over a period of eighteen months, and were contracted in 4½ and 3 per cent. *Rentes* as follows:—

For the first loan, the biddings were at 92f. 50c. in the 4½ per cent., and 65f. 25c. in the 3 per cent. *Rentes.*

For the second loan, the biddings were at 92f. in the 4½ per cent., and at 65f. 25c. in the 3 per cent. *Rentes.*

For the third loan, the biddings were at 92f. 25c. in the 4½ per cent., and at 65f. 25c. in the 3 per cent. *Rentes.*

These loans were not contracted with any capitalist in the usual way, but were open to the whole of France. The subscription for the first loan was open from the 14th to the 20th of March, during which time 98,000 subscribers sent in applications for 467,000,000f., or £18,680,000. This sum was composed as follows:—

The sum of 467,000,000f shared between Paris and the Departments, between the 4½ per cent. *Rente*, and the 3 per cent. *Rente*:—

	Francs.	
Departments.....	253,000,000	
Paris.....	214,000,000	
		467,000,000f.
3 per cent. *Rente*.....	308,000,000	
4½ ,, ,, ...	159,000,000	
		467,000,000f.

The 98,000 subscribers were comprised as follows:—

	Subscribers.
Departments.....	72,000
Paris.....	26,000
	98,000

The number of subscriptions not exceeding 50f. of *Rente*, 60,000f., and the amount 49,000,000f.* or £1,960,000.

The number of subscribers to the second loan was 177,000, and the amount 2,175,000,000f., or £87,000,000 sterling, thus divided :—

	Francs.
Departments	777,000,000
Paris †	1,398,000,000
	2,175,000,000

The subscriptions of 500f. and under represented 26,000,000f. of 3 per cent. *Rente;* and 13,000,000f. of 4½ per cent. *Rente;* in consequence of which Messrs. Baring Brothers were obliged to return the deposit of 10 per cent. made by their clients to this loan.

To the third loan there were no less than 316,864 subscribers, and the total capital subscribed for was 3,652,591,985. Of this amount the division was as follows :—

	Subscribers.	Amount.
Departments	236,577	1,118,703,535 francs.
Paris ‡	80,287	2,533,888,450 ,,
	316,864	3,652,591,985 ,,

The 10 per cent. deposits made on the above in Paris amounted to 365,259,198f. or £14,610,367. The proportion to each subscriber to the above loan would have been about 15f. 92c. on the whole amount subscribed.

The public debt of France has been considerably augmented of late years. It originally commenced in 1793, and at the end of March, 1814, consisted of 63,307,637f. in a 5 per cent. *Rente*, making the nominal capital 1,266,152,740f. or about £50,646,000.

From the 1st April, 1814, to the 31st July, 1830, the year of the French Revolution, the *Rentes* were increased 136,109,571f., making the total annual amount of *Rente* 199,417,208f. when Louis Phillipe ascended the throne. The increase made to the public debt of France during his reign, a period of eighteen years, was 44,869,998f. or about £1,794,800, making the total annual charge 244,287,206f. or £9,771,488. The following tabular statement will shew the state of the Consolidated Debt of France on the 1st of January, from 1847 to 1856 inclusive, in nominal capitals, the annual *Rente*, and the number of inscriptions :—

* Report of the Finance Minister Bineau, March 28th, 1854.

† In the Paris list are included foreign subscriptions, in which England stands for 150,000,000f., and Germany, Belgium, and the rest of Europe for about an equal sum.

‡ The Paris subscriptions include 600,000,000f. from abroad.

NOMINAL CAPITALS.

	1847.	1848.	1849.	1850.	1851.
	Francs.	Francs.	Francs.	Francs.	Francs.
5 per cent.	2,935,050,560	2,934,991,820	3,503,796,587	3,606,400,812	3,609,022,452
4½ „	22,813,333	22,813,333	22,813,333	19,895,600	19,895,600
4 „	662,684,375	662,684,375	461,804,100	59,297,775	59,297,775
3 „	2,094,228,766	2,217,513,300	2,871,797,333	1,534,050,166	1,657,421,533
Totals	5,714,777,034	5,838,002,828	6,860,211,353	5,219,644,353	5,345,637,360
or	£228,591,081	£233,520,113	£274,418,454	£208,785,774	£213,825,494

TOTAL AMOUNT OF RENTES.

5 per cent.	146,752,528	146,749,591	175,189,829	180,320,040	180,451,122
4½ „	1,026,600	1,026,600	1,026,600	895,302	895,302
4 „	26,507,375	26,507,375	18,472,164	2,371,911	2,371,911
3 „	62,826,863	66,525,399	86,153,920	46,021,505	49,722,646
Totals	237,113,366	240,808,965	280,842,513	229,608,758	233,440,981
or	£9,484,534	£9,632,358	£11,233,700	£9,184,350	£9,337,639

NUMBER OF INSCRIPTIONS.

5 per cent.	230,906	243,055	669,164	742,387	723,428
4½ „	1,395	1,545	1,522	1,677	1,661
4 „	3,636	3,817	3,935	3,862	3,934
3 „	40,803	43,391	73,123	98,404	94,767
Totals	276,740	291,808	747,744	846,330	823,790

NOMINAL CAPITALS.

	1852.	1853.	1854.	1855.	1856.
	Francs.	Francs.	Francs.	Francs.	Francs.
5, 4½ per cent. (1852)	3,646,363,892	3,447,529,078	3,447,357,484	3,538,201,755	3,802,937,000
4½ „ (1825).....	19,895,600	19,895,600	19,693,244	19,656,888	19,656,888
4 „	59,297,755	59,297,775	59,083,150	58,855,675	58,839,200
3 „	1,790,637,333	2,050,782,133	2,143,521,133	2,466,163,533	3,676,607,733
Totals*	5,516,194,600	5,577,504,586	5,669,655,012	6,082,877,852	7,558,040,822
or	£220,647,784	£223,100,183	£226,786,200	£243,315,114	£302,321,632

TOTAL AMOUNT OF RENTES.

5, 4½ per cent. (1852)	182,318,194	155,138,308	155,131,086	159,219,079	171,132,165
4½ „ (1825).....	895,302	895,302	886,196	884,560	884,560
4 „	2,371,911	2,371,911	2,363,326	2,354,227	2,353,568
3 „	53,719,120	61,523,464	64,305,634	73,984,966	110,298,232
Totals	239,304,527	219,929,485	222,686,242	236,442,772	284,668,525
or	£9,572,181	£8,797,179	£8,907,449	£9,457,710	£11,386,741

NUMBER OF INSCRIPTIONS.

5, 4½ per cent. (1852)	711,751	625,698	651,785	651,852	780,215
4½ „ (1825).....	1,621	1,994	1,907	1,881	1,979
4 „	3,858	3,803	2,617	2,650	2,653
3 „	93,671	93,695	128,934	178,774	235,491
Totals	810,910	725,190	785,243	835,157	1,020,338

* The fractional parts of a franc are included in these amounts.

It may be seen by the above statement that the public debt of France has undergone some remarkable changes since 1848; in that year the depositors in Savings' Banks were paid in 5 per cent. *Rentes*, which accounts for the great increase in the number of inscriptions in that year, that rose from 291,808 in 1847 to 747,744. The Government refused at the same time to allow interest upon Savings' Banks deposits for sums above 1,000 francs, or £40. The next important increase in the number of inscriptions arose from the three loans contracted during the last Russian war, by which the number rose from 725,190 in 1852, to 1,020,338 in 1855, or nearly 50 per cent., the greater portion of these loans having been subscribed for by persons taking a small amount of *Rente*, as already described.

In comparing the Consolidated debt of France at the end of 1852 and 1855 in the 3 and 4½ per cent. *Rentes*, the following results are obtained:—

	Capitals. 1852. Francs.	Capitals. 1855. Francs.	Increased Rente. Francs.
4½ per cent. *Rentes*	3,447,529,078	3,802,937,000	355,407,922
3 " " "	2,050,782,133	3,676,607,733	1,625,825,600
Totals	5,498,311,211	7,479,544,733	1,981,233,522
Or	£219,932,448	£299,182,189	£79,249,340

The following statement shews the increased annual amount of *Rente*, payable upon the two descriptions of capital in 1852 and 1855:—

	Annual *Rente*. 1852. Francs.	Annual *Rente*. 1855. Francs.	Increased. *Rente*. Francs.
4½ per cent. *Rentes*	155,138,308	171,132,165	15,993,857
3 " " "	61,523,464	110,298,232	48,774,768
Totals	216,661,772	281,430,397	64,768,625
Or	£8,666,470	£11,257,215	£2,590,745

It appears from the above statements that the recent loans raised to meet the war expenses in Russia increased the capital of the Consolidated Debt of France £79,249,340, and the annual cost of the debt to the amount of £2,590,745.

The *floating* debt of the French Government on the 1st of January, 1856, amounted to 896,813,346 francs, or £35,872,533, making the total debt of France at that date £338,194,165. By the Provisional Budget for 1857, the total charge of the public debt is given at 511,225,062f. or £20,449,002, which is thus composed:—

	Francs.
Interest on Consolidated Debt	308,645,290
Sinking fund	86,560,932
Special loans for canals and other works	10,306,627
Interest of capitals reimbursable	37,500,000
Life Annuities	68,212,212
	511,225,061
	or £20,449,002

There is some difficulty in arriving at the exact state of the revenue and expenditure of France to a recent period, owing to the delay in closing the finance accounts, in making up what is termed the *Budget Definitif.* From the official accounts issued it appears that the expenditure exceeded the revenue from 1839 to 1848 by the sum of 800,000,000f. or £32,000,000; and that the budgets of 1849, 1850, 1851, and 1852, presented a further deficiency, amounting to 382,000,000f. or £15,280,000. The definitive budget for 1853, which is the latest settlement made, gives the expenditure of that year at 1,525,674,684f. or £61,026,987, and the revenue at 1,516,769,831f. or £60,670,793, being a deficiency of £356,194.

The Provisional Budget for 1857 gives the estimated amount of ordinary revenue at 1,708,745,226f., and the extraordinary at 1,129,286f., or a total of 1,709,874,512f. or £68,394,980; and the total expenditure at 1,698,904,664f. or £67,956,186; yielding a surplus of £428,794. These estimates, however, cannot be relied upon for accuracy. The following is a summary of revenue and expenditure made upon the above estimate for 1857:—

EXPENDITURE:	Francs.
1. Public debt	511,225,062
2. Dotations	39,470,080
3. Ministers of State	813,844,134
4. Charges for collecting taxes	170,562,241
5. Reimbursements, &c.	110,389,147
Total ordinary expenditure	1,645,490,664
Extraordinary expenditure	53,414,000
Total general expenditure	1,698,904,664

REVENUE:	Francs.
1. Contributions direct	438,369,947
2. Revenues from registration, stamps, and from lands	353,842,046
3. Produce from forests and fisheries	25,942,500
4. Customs' and salt tax	231,716,000
5. Indirect taxes*	404,482,000
6. Postage	56,259,000
7. Miscellaneous revenues	163,009,545
8. Sundry products	35,124,188
Total ordinary receipts	1,708,745,226
Extraordinary receipts	1,129,286
Total general receipts	1,709,874,512

The commerce of France has increased considerably within the last few years; separating it into quinquennial periods, the *official* value of the imports and exports taken together have averaged as follow:—

	Francs.
From 1840 to 1844 inclusive	2,170,000,000
From 1845 to 1849 ,,	2,512,000,000
From 1850 to 1854 ,,	3,120,000,000

* These taxes include the duties upon drinks, the manufacture of sugar in France, and on the produce of sales of tobacco and snuff.

In 1855 the commerce of France by land and by sea, amounted to 4,327,000,000f. of *real* value, or £173,000,000, of which the exports amounted to 2,167,000,000f. or £86,680,000; and the imports to 2,160,000,000f. or £86,400,000. The greatest portion of French commerce is carried on with England and the United States of America. The value of the exports from the United Kingdom in 1856 amounted to £6,432,650.

GREECE.

The Greek loans contracted in this country were three in number, as follow:—

	£	
In 1824	800,000,	at 59 per cent.
In 1825	2,000,000,	at 56½ ,,
In 1833	2,343,750,	at about par.
Total	£5,143,750	

These loans were all contracted in Five per Cent. Bonds, of which the first and second were in sums of £100 to £500 each, and the last in sums of £40 each; but there has been no interest paid on the first since July, 1826, nor on the second since January, 1827. The third loan was guaranteed by England, France, and Russia in equal portions, who have had for years to pay the interest and sinking fund.* The sum of £550,000 of this loan was paid over to Turkey for a portion of territory ceded to Greece on the establishment of that kingdom as an independent State.

The contract was taken by Messrs. Rothschild, and the dividends are payable in London at par, and in Paris at the fixed exchange of 25f. 60c. per pound sterling. The entire revenues of the kingdom form the security for the payment of the interest and sinking fund, but they have never been made available for that purpose, though Greece has so long neglected to discharge either one or the other. The payments have, therefore, been made by the guaranteeing Powers.

The total revenue of Greece in 1856 was 22,722,000 drachmas, or about £804,000, and the expenditure 22,089,512 drachmas, or £7,823,336. The commerce of Greece is unimportant in amount, the import values being about equal to the annual revenue, and the exports to about one-third of that sum.

In consequence of the non-payment of the dividend on the Greek Debt, this Stock is not quoted on the London Stock Exchange; nor are the Anglo-Greek, the French-Greek, nor the Russian-Greek quoted, although the dividends are regularly paid.

GUATEMALA.

This debt originated in 1825 by a contract for £1,428,571 8*s.*, at 75 per cent., in bonds of £100 to £500 each, bearing interest at 6 per cent. per annum; but only £167,000 were taken, and nothing has been paid since the 1st of February, 1828, so that the arrears of interest have increased the sum to nearly three

* See *Guaranteed Loans*, at page 71.

times the original sum. The Republic of Guatemala formerly comprised the whole of Central America, including Nicaragua, Costa Rica, San Salvador, and Honduras, which are now divided into separate States. In consequence of the Panama Railway passing through the territory of Guatemala, this State has become of more importance; but great havoc has recently been made by a piratical brigand, named Walker, from the United States, amongst these small Republics, from which he was expelled by a combination of the inhabitants.

Several attempts were made by the bondholders to effect an arrangement for a settlement of the debt, but without success, until last year, when the following proposals were submitted to the Committee of Spanish American Bondholders and ratified at a meeting held on the 8th of August, 1856:—

"Guatemala, May 24th.

"Art. 1: The Government of Guatemala recognizes as a debt of the Republic, in conformity with the decree of the 23rd of December, 1851, the one-third part of £163,299 sterling, being the value of the bonds of the loan made by English merchants to the Federal Government in 1824, which one-third part amounts to £54,433 sterling:

"2. The interest upon this sum from the 1st of February, 1828, to 31st of January, 1856, is reduced by this arrangement to £45,567 sterling, and is recognized equally as a debt of the Republic.

"3. The £100,000 sterling to which the above mentioned sums amount is the debt recognized by the Government, which will hereafter form a sole capital, bearing interest at the rate of 5 per cent. per annum. The Government will cause bonds to be issued for the above-mentioned sum, which shall be denominated Bonds of the British Consolidated Debt of Guatemala.

"4. The person authorized by the Government of Guatemala in London, in conformity with the committee of creditors, shall determine the form to be given to the new bonds, the value that each is to represent, and all the requisite precautions which may be considered necessary for the interests of Guatemala and the creditors.

"5. At the period of issuing the new bonds it shall be expressed on the old bonds of the Federal Republic of Central America that the liability of Guatemala is thereby cancelled.

"6. The interest of the new bonds shall be paid in London every six months, free of all expense, to the committee of bondholders by the agent of the Government of Guatemala. The first dividend shall be paid on the 1st of August, 1856, and the second on the 1st of February following; and thenceforth on the 1st of August and 1st of February of each succeeding year.

"7. The Republic of Guatemala, besides mortgaging all its revenues, pledges especially the half of the proceeds of the maritime dues (Alcabala) of the Custom-house of Izabal, from the 1st of June next, to secure the punctual payment of the interest and gradual amortization of the debt.

"8. These proceeds shall be remitted punctually to the agent of Guatemala in London, to verify the payment of the dividends, applying the residue (if any should remain) to the liquidation of the capital. Should such proceeds be insufficient, through any circumstances, for the full payment of the £5,000 sterling, amount of annual interest, the Treasurer of the Republic shall make up the deficit from any other revenues.

"9. From the 1st of January, 1860, instead of half of the maritime dues of the Custom-house of Izabal, there shall be apportioned one-sixth part of the maritime dues (Alcabala) collected in the Custom-house of this capital, for the purpose of facilitating the liquidation of the debt, the Government of Guatemala being free to employ at any time any other revenues they may deem advantageous for that purpose.

"10. The Government of Guatemala shall have the power to buy the bonds at the market value, through their agent in London, as stipulated in the original contract made by the Federation in the articles 5th and 6th.

"11. By this present agreement the responsibility of the Republic of Guatemala is cancelled in favour of the British creditors for the debt of the Federal Republic of Central

America, arising from the loan of the year 1824,—only having full force and vigour from the stipulations contained in this document, which is signed in duplicate.

"12. This agreement shall be subject to the approval of the President of the Republic, which, when obtained, shall be held as firm and valid; the sanction of the committee in London, being accorded through their commissioner, Mr. John Lawrence.

"JOSE NAJERA.
"JOHN LAWRENCE."

"Guatemala, May 26th.

"The President in Council of Ministers, and by advice of the Council of State, approved in all its parts the preceding agreement concluded by the Minister of Finance with the Commissioner of the Committee of Spanish-American Bondholders, and accordingly will dictate measures for its due fulfilment.

"RAFAEL CARRERA.
"JOSE NAJERA, Minister of Finance.
"P. DE AYCINENA, Minister for Foreign Affairs.
"MANUEL ECHEVERRIA, Minister for the Interior."

HAMBURGH.

There are no public securities under this head quoted in the London Official List; but as Hamburgh is the principal city of the Hanse towns, a brief reference is made to it here. The trade between Great Britain and these towns is the most important in Europe, and particularly that of Hamburgh. Since 1846 the annual value of the import and export trade of Hamburgh has nearly doubled, as shewn by the following statement:—

	Imports.	Exports.	Total.
1846.....	£21,124,929	£20,729,405	£41,854,334
1855.....	39,641,864	38,041,620	77,683,484
Increase	£18,516,935	£17,312,215	£35,829,150

Of this increase, the *import* trade with Great Britain in 1855 amounted to 160,494,560 marks banco,* or £12,037,000, and the *exports* to 57,049,620 marks banco, or £4,278,721.

The public debt of Hamburgh has greatly increased since 1841, when it amounted to £1,944,000; in 1847 it was increased to £5,163,578; and on the 1st of January, 1855, it stood at 65,286,451 marks banco, or £4,896,480.

HOLLAND.

The Dutch Securities, quoted in the Official List of the Stock Exchange, consist of the *Two-and-a-Half per Cent.*, and the *Four per Cent.* Certificates of 1,000 gulden each.† These debts are inscribed in the Great Ledger of the State, the former amounting in 1855 to £66,968,050, and the latter to £19,423,458, making a total of £86,391,508. The component parts of the Public Debt of Holland were as follows, at the end of 1853, 1854, and 1855:—

* Equal to 1s. 6d. sterling.
† Equivalent to about 1s. 8d. sterling.

	1853.	1854.	1855.
2½ per cent.	£67,734,425	£67,589,091	£66,968,050
3 ,, ...	10,013,602	10,012,019	10,012,019
3½ ,, ...	1,779,916	1,732,750	1,710,000
4 ,, ...	19,784,125	19,519,458	19,423,458
4 ,, (Colonial)	1,229,041	1,229,042	1,229,041
Totals.....	£100,541,109	£100,082,360	£99,342,568

The interest on the public debt of Holland is paid with great regularity, which renders these certificates at all times negotiable in London, the purchase of which is at the fixed exchange of 12 gulden per £ sterling. The coupons are also negotiable in London at the current exchange of the day.

The revenue of Holland is about 73,299,272 gulden per annum, or £6,108,000, the greater portion of which is derived from direct taxation and excise duties, the former producing about £1,556,776, and the latter £1,395,845, being nearly one-half the total amount. Both the revenue and expenditure for several years have remained almost stationary, as shewn in the following statement :—

	Revenue.	Expenditure.
1851	£6,145,870	£6,292,935
1852	5,976,110	5,815,640
1853	5,973,814	5,840,423
1854	5,986,146	5,891,976
1855	6,180,272	6,145,055
1856	6,099,255	6,119,438

The natural means of creating wealth in Holland are limited within a narrow circle, therefore her prosperity depends in a great measure upon artificial resources derived principally from external commerce with other countries. Both exports and imports have largely increased. In 1850 the *import* values, including foreign goods for transit through Holland, were £23,701,273, and in 1855 £28,554,505, being an increase of about 20 per cent. In 1850 the *export* values were £19,168,838, and in 1855 £26,171,089, being an increase of about 36 per cent. The declared value of British exports to Holland in 1856 amounted to £5,728,000.

INDIA (BRITISH).

Although the public securities of British India form no part of the speculations in the London Money Market, the finances of that country are very intimately associated with the condition of the latter, and more particularly since the recent mutinies in the Indian army have assumed a most formidable and terrible aspect. It may, therefore, be of some importance, in a work of this description, to give a detailed account of the financial condition of British India, as far as the latest official returns will permit.

The finances of the British territories in India are of a two-fold character—1. Those which relate to the East India Company at home. 2. Those which relate to the Government of India at Calcutta and the other Presidencies.

By the delay in the publication of the accounts under the second head they are generally one year in arrear; the latest accounts having been brought down to the 30th April, 1856, with an *estimate* for the subsequent year. The Home accounts have been issued to the 30th of May, 1857, of which the following analysis appeared in *The Banker's Circular and Finance Gazette* of July 18th, and the Territorial accounts on the 1st of August, 1857.

THE HOME ACCOUNTS OF THE EAST INDIA COMPANY.

A return has recently been published in which a statement is given of these accounts to the 1st of May, 1857. The paper contains information under the following heads:—*

1. The receipts and disbursements of the Home Treasury of the East India Company from the 1st of May, 1856, to the 1st of May, 1857.
2. An estimate of the receipts and disbursements from the 1st May, 1857, to the 1st of May, 1858.
3. The debts and credits in England of the Government of India on the 1st of May, 1857;
4. A list of the several establishments of the East India Company in England, and the salaries and allowances payable by the Court of Directors in respect thereof on the 1st of May, 1857;
5. An account of new or increased salaries, establishments, or pensions, payable in Great Britain, granted or created between the 1st of May, 1856, and the 1st of May, 1857.
6. Allowances, compensations, superannuations, &c., granted to officers and servants of the East India Company, between the 1st of May, 1856, and the 1st of May, 1857.
7. Widow's Fund.

Under the first head the total receipts of the Treasury of the Company during the year ended the 30th of April last was £6,510,367 16*s.* 10*d.*, and the disbursements £6,899,977 9*s.* 9*d.* Amongst the receipts, £2,819,710 4*s.* 5*d.* was for bills drawn on India for cash paid into the Home Treasury. On account of the Government, the receipts during the year amounted to £182,141 19*s.* 1*d.*, of which £127,172 18*s.* 4*d.* was for advances made on account to the Colony of Hong Kong; for the emigration of Coolies, £17,437 10*s.*; for Her Majesty's Government in Calcutta, £25,010 8*s.* 4*d.*; expenses of Madras troops employed at Labuan, £6,378; Egyptian transit duties paid by the Company, £6,090; and for forwarding the 10th Hussars and the 12th Lancers from India to the Crimea, £53 2*s.* 3*d.*

The several Indian Railway Companies had paid into the Treasury the following instalments of money under their respective deeds of contract with the East India Company:—

	£	*s.*	*d.*
Great Indian Peninsular Railway Company.	1,378,275	13	0
East Indian Railway Company.....	1,064,710	16	11
Madras Railway Company.....	657,516	0	0
Scinde Railway Company	42,735	10	0
Bombay, Baroda, and Central India Railway Company	199,420	4	4
Total.....	£3,342,658	4	3

* *Par. P.* No. 102, Session 2, 1857.

Under the head of disbursements the interest of India Debt is £25,373 5*s.* 1*d.* The principal of the Five per Cent. Loan standing in the books in London, amounting to £2,515 16*s.* 8*d.* had been paid off. Dividends on India Loan Property transferred to England £78,272 19*s.* 11*d.* Advances to the civil, military, and other provident funds of India repayable there, £366,743 7*s.* 2*d.* Annuities in England chargeable to the Indian civil annuity funds, £258,812 5*s.* 8*d.* Family remittances, ditto by the Administrator-General, payments chargeable against prize funds and miscellaneous, £106,859; fee fund, £10,963 2*s.*; Widows' Funds for home service, £27,814 11*s.* 8*d.*; paid on account of Government, (including £11,748 18*s.* 6*d.* to Peninsular and Oriental Steam Navigation Company, for conveying 12th Lancers and 10th Hussars from India to Suez,) £19,623 15*s.* 3*d.*

The following disbursements had been made on account of the several Indian Railway Companies for engineering and establishment expenses in England:—

	£	s.	d.
Great Indian Peninsular Railway Company	531,296	6	10
East Indian Railway Company	896,252	14	7
Madras Railway Company	147,686	11	7
Scinde Railway Company	77,920	5	5
Bombay, Baroda, and Central India Railway Company	99,657	5	10
Total	£1,752,813	4	3

The amount of interest paid on the capital of the Indian Railway Companies, including interest on Debenture Bonds, had been as follows:—

	£	s.	d.
Great Indian Peninsular Railway Company	102,181	8	10
East Indian Railway Company	285,070	18	11
Madras Railway Company	81,139	8	3
Scinde Railway Company.	13,235	8	10
Bombay, Baroda, and Central Indian Railway Company	14,412	3	9
Total	£496,039	8	7

The following disbursements are chargeable on the Revenues of India:—

	£	s.	d.
Dividend to Proprietors of East India Stock	627,892	17	4
Interest on the Home Bond Debt	155,494	12	10
Military and other stores exported and to be exported	941,752	14	7
On account, building and equipment for a steam-vessel for Madras Government	61,888	13	5
Her Majesty's Government for new postal arrangements	49,887	2	7
Transport of troops and stores	51,837	10	11
Total	£1,888,753	11	8

To the above amount is added £819,872 15*s.* 6*d.* as furlough and retired pay to military and marine officers; pay and pensions for the Queen's troops serving in India, £250,000; ditto for same having served in India three quarters, £45,000; absentee allowances and passage money, £61,237 3*s.* 6*d.*; mission to the Court of Persia (part payable by the Company), £12,000; and in part of £20,000 payable to Meer Jaffur Ali Khan towards expenses incurred while residing in England, £5,000. The above comprise all the principal items chargeable on the Revenues of India.

The general charges were those which attend the management of the Company's affairs, and were as follows:—

	£	s.	d.
Salaries of the Board of Commissioners for managing the affairs of India, including superannuation allowances	28,977	0	0
Indian Law Commission	618	0	6
Salaries and allowances of Secretaries, and officers of the Court of Directors (deducting £5,076 0*s.* 2*d.* from the Fee Fund)	95,554	15	5
Annuitants and Pensioners	186,404	1	9
Under "Contingencies," are repairs to the East India House, rates, taxes, &c	22,364	9	5
Entertainments and Refreshments	2,952	1	2
Subscriptions to Charities	2,502	1	7
Total	339,372	9	10

Amongst other general charges were £14,569 11*s.* 4*d.* for Haileybury College; for Addiscombe, £7,103 11*s.* 11*d.*; Recruiting Depôt at Warley, and studies of recruits at Chatham, repairs at Warley, &c., £65,420 0*s.* 4*d.*; Lord Clive's Fund for Pensions, &c., £81,534 15*s.* 10*d.*; Law charges, £19,516 15*s.* 11*d.*; and miscellaneous expenses amounting to £29,234 17*s.* The total summary of expenditure, of which the above are the chief items, is £6,899,977 9*s.* 9*d.* Against this sum the Company held current cash to the amount of £1,241,944 6*s.* 2*d.*, and Exchequer Bills and Bonds to the amount of £1,800,000, which leave a balance in favour of the Company on the 30th of April, 1857, of £3,041,944 6*s.* 2*d.*

No. 2 contains the estimates of receipts and disbursements for the current financial year:—

	£
Bills of Exchange on India	4,093,000
Remittances from India on account of sending supplies to Her Majesty's service	120,000
From Her Majesty's Government—China Expedition	590,693
Moiety of charges for Persian Expedition	250,000
Miscellaneous payments in India from 1848 to 1852	162,750

The sum of £3,300,000 is put down for Indian Railway Companies; and £91,000 as interest from the investment of cash balances, making the total estimated receipts for the current year £8,607,443, to which has to be added

the cash balance in hand on the 1st of May, 1857, £3,041,944, making the aggregate amount £11,649,387.

The Disbursements are estimated at £8,930,320, amongst which are the following :—

Bills of Exchange from India	£50,000
Dividend transferred to England	80,000
Advances made in England, civil and military	367,000
Indian Annuity Fund	257,000
Family remittances, &c.	121,000
Indian Railway Companies :—	
May be drawn for the purchase of rails, machinery, &c., and interest on capital	3,309,595
	£4,184,595

To the above sums the ordinary charges upon the Revenues of India are estimated at £4,456,673, and the extraordinary charges at £289,062, making the total expenditure £8,930,330, leaving a balance in favour of the Company on the 30th April, 1858, of £2,719,057.

It must, however, be remembered that these estimates were framed before the breaking out of the recent mutiny amongst the troops, which to a certain extent will render them nugatory.

No. 3 of the statements is an account of the Debts and Credits of the East India Company on the 1st of May, 1857. The total amount of the Debts then due was £9,377,401. Of this sum there was £754,771 for charges of the Queen's troops serving in India. In the Company's Treasury on account of Railways the following sums were held :—

East Indian Railway Company	£907,799
Great Indian Peninsular Railway Company	1,745,029
Madras Railway Company	525,903
Scinde Railway Company	168,148
Bombay, Baroda, and Central Indian Railway Company	283,562
Total	£3,630,441

The principal on the Home Bonded Debt bearing interest at the rate of 4 per cent. per annum, was £3,894,000, and the principal, not bearing interest, £20,917; making the total Bonded Debt of the Company £3,915,317.

The credits of the Company to the 1st of May, 1857, make up a total sum of £5,488,467 of these £1,800,000 consist of Exchequer Bills and Bonds, and current cash £1,241,944 and stock in the public funds valued at the market prices on the 1st of May last at £927,710; making a total of £3,969,654 in available credits. To this is added military and public stores remaining in England, £213,668; and £753,443 on account of the expedition to China. The East India House is put down at the value of £272,000; the Colleges at Haileybury and Addiscombe at £191,000; Warley

Barracks, near Brentwood, in Essex, at £60,000; and the warehouses and premises in Leadenhall-street, and New-street, Bishopsgate, at £24,000; making the total value of these buildings £547,000.

These accounts do not comprise the amount of the proprietors' capital stock, amounting to £6,000,000, nor the guarantee fund of £2,000,000, formed under an Act passed in 1833 (3 & 4 Will. 4, c. 85), for the redemption of the capital. Independently of these sums, the Debts and Credits of the Government of India in England stood as below on the 1st of May last:

Total amount of Debts, exclusive of Proprietors' Capital....	9,377,401
Total credits	5,488,467
Excess of debts.....	£3,888,934

Statement No. 4 contains an account of the officers engaged in the service of the Company, and their salaries, on the 1st of May last; the total amount was £133,622; and the number of persons 525.

The Secretary's Office.—In this department there is a secretary, deputy-secretary, six assistants, forty-two clerks, a conductor of the correspondence relating to the vegetable and other products of India; one superintendant of extra clerks and writers; seven extra clerks, twenty-seven writers, and fifteen messengers; in all, 101 persons, whose salaries amount to £47,535.

Examiner's Office.—In this office the Indian correspondence is conducted by one examiner, two corresponding clerks, four senior clerks, twelve clerks, one superintendant of writers, one clerk in charge of secret papers, a registrar, an assistant registrar of Indian books and records, fifteen writers, and ten messengers; in all fifty-three persons, whose salaries amount to £24,409 per annum.

Office of Secretary in Military Department.—A secretary, an assistant secretary, seven clerks, a cadet clerk who superintends the extra clerk and writers, three extra clerks, nine writers, and five messengers; in all 27 persons, whose salaries amount to £12,533.

Statistical Office.—A chief and his assistant, one clerk, two writers, and one messenger; in all six persons, whose salaries amount to £3,927.

Library and Museum.—A librarian, who is also Oriental Examiner at the Colleges, a keeper of the Museum, one extra writer, and two messengers; in all five persons, whose salaries amount to £1,318.

Stores Department.—An inspector-general, three clerks, two sub-inspectors, two examiners of cloth, ten examiners and assistants, one book-keeper, six writers, one messenger, and fifty-eight labourers; in all 84 persons, whose salaries amount to £11,887.

East India College at Haileybury.—The principal, seven professors, and forty-two public servants in all 50 persons, whose salaries amount to £6,516.

Military College at Addiscombe.—The public examiner and inspector, lieutenant-governor, twenty-two professors, masters, staff, and other officers, and thirty-six non-commissioned staff and public servants; in all 60 persons, whose salaries amount to £9,682.

Military Depôt at Warley.—Seven officers and thirty three non-commissioned staff; in all forty persons, whose salaries amount to £4,496.

Recruiting Districts.—Seven officers, and forty-three non-commissioned staff; in all 50 persons, whose salaries amount to £5,470.

The standing counsel and solicitor have each £500 a-year; examining physician, £520; geographer, £200; examiner of veterinary instruments, £100; and the chaplain to Poplar Hospital, £100 a-year. The clerk of the works, a carpenter, and a messenger receive £605 a-year; to the above number is added forty other servants, whose salaries amount to £3,954 a-year.

By statement No. 5, it appears that an additional sum of £580 had been made to salaries during the year in consequence of an increased number of persons engaged: and the addition made to certain officers for their services was £890 4*s.*

The pensions granted amounted to £6,467 12*s.* 5*d.*, of which an annuity of £5,000 was granted to Lord Dalhousie for his services as Governor-General from the date of his resignation; to Colonel H. A. Lake, late captain of the Madras engineers, for his services at the siege of Kars, £100; to Mrs. Thompson, the widowed mother of the late Major H. L. Thompson, for his services at the seige of Kars, £100; to Mrs. Mayne, in consideration of the services of her late husband, Colonel Mayne, of the Bengal establishment, £100; and to Mrs. R. W. Hodges, formerly granted to her as the widow of the late Major-General Sir William Nott, G.C.B., of the Bengal establishment, £200. There are several other pensions of small amount which make up the total sum.

Under No. 6, the allowances, compensations, &c., &c., during the year ended May 1st, 1857, the superannuations amounted to £1,666 13*s.* 4*d.*

No. 7 gives the amount paid to the Widow's Fund at £11,412 0*s.* 3*d.*

The following statement shews the amount of capital which it is estimated will be required for the railways, together with the rates of interest guaranteed by the East India Company on the different sums specified, and the amount of capital already issued, viz.:—

Railway Company.	Estimated Outlay required to complete the several Lines sanctioned.	Amount of Capital at present issued with the sanction of the E.I.Company			Total Amount of Capital issued with the sanction of the E. I. Compy.
		At 4½ pr ct. guaranteed Interest.	At 4¾ pr ct. guaranteed Interest.	At 5 per cent. guaranteed Interest.	
	£	£	£	£	£
East Indian	12,731,000	....	....	8,731,000	8,731,000
Madras	6,000,000	500,000	1,000,000	2,500,000	4,000,000
Great Indian Peninsula	10,000,000	*333,300	....	6,000,000	6,333,300
Sind	500,000	....	....	500,000	500,000
Bombay, Baroda, and Central India.....	1,000,000	....	....	750,000	750,000
	30,231,000	833,300	1,000,000	18,481,000	20,314,300

Note.—The Debenture bonds issued by the East Indian Railway Company have been authorised to be converted into shares, bearing interest at 5 per cent.; a large majority of these have been, and ultimately all will be so converted: the amount of such bonds is accordingly included in the capital.

* Debentures.

TERRITORIAL REVENUE AND EXPENDITURE.

The following is an analysis of the revenues and expenditure of British India for the year ended April 30th, 1856:—

The *gross* revenues of British India in the years 1855-6 amounted to £28,891,299, and the expenditure, including drawbacks, repayments, &c., to £6,743,952, leaving the net revenue paid into the several Treasuries of India £22,147,347.

The ordinary sources from which this revenue was obtained were as follow:—

	£
Land revenue	15,935,016
Tributes and Subsidies	498,904
Excise duties in Calcutta	42,326
Sayers revenue	343,784
Abkarry ditto	797,225
Moturpha (Madras)	101,889
Small farmers and licences (Madras)	22,350
Miscellaneous	98,922
Customs	1,974,999
Salt tax	2,485,736
Opium	4,871,227
Post Office	219,795
Stamp duties	518,203
Mail receipts	184,903
Marine and pilotage receipts	164,013
Judicial receipts, (fees, fines, &c.)	178,508
Revenues from Prince of Wales' Island, Singapore, and Malacca	97,904
Ditto from the Coorg District	20,477
Sale of presents	8,858
Interest on debt due by the Nizam by the Mysore State, &c.	85,705
Electric telegraph	15,719
Tolls and ferries	69,109
Miscellaneous	85,620
Total gross ordinary revenue	£28,821,192

To the above amount is added £12,971 from unclaimed estates, and £57,136 by the exchanges or remittances between London and India, making the sum total £28,891,299.

The charges of collection are put down at £3,690,319, which include the charges of internal administration. The rate per cent. for collecting the above revenue varied from 5 to upwards of 35 per cent. of the gross revenue, the latter rate being the cost of the salt revenues in Bengal. £17,840,416 cost 8 per cent. in the collection, and the Customs about 6 per cent. The remaining charges upon the revenues make up the total direct charges to £6,743,952; the charges in India, including the interest on the debt, were £19,855,509, and the charges in England £3,264,629, making an excess of expenditure over income to the 30th of April, 1856, of £972,791.

The charges in India and in England upon the Indian revenues were composed of the following items:—

CHARGES IN INDIA:	£
Civil and political establishments	2,276,262
Judicial and police	2,510,799
Buildings, roads, and public works	1,881,606
Military charges	10,019,436
Ditto buildings	397,933
Navy and military charges	598,070
Charges of Prince of Wales' Island, Singapore, and Malacca, and other payments	64,512
Mint charges	62,573
Interest on debt	2,044,318
Total charges in India	19,855,509

CHARGES IN ENGLAND:	£
Dividends on proprietors' stock	632,689
Interest on home debt	152,017
Coals and steam charges	69,665
Proportion paid to Government for contract with Oriental Steam Company for extending communication between India and China	14,384
Payments for postal arrangements	55,378
Transport of troops	54,897
Furlough and retired pay of military officers	801,712
Ditto of marine officers	30,774
For Queen's troops serving in India	250,000
Retiring pay, pensions, &c., to Her Majesty's troops having served in India	60,000
General charges of store establishment	493,834
Absentee allowances	53,877
Annuities of Madras Civil Fund, 1818	10,062
Retired pay and pensions of the St. Helena establishment	3,125
Company's portion of mission to Persia	12,000
Company's portion of establishments in China for 1850-51 and 1851-52	20,682
Cost of convicts transferred from India to Van Dieman's Land	9,483
Value of arms taken to India by Her Majesty's troops	10,387
Grant to Prince Gholam Mahomed	3,000
Stores consigned to India	526,663
Total	3,264,629
Grand total	23,120,138

The above sums shew an excess over expenditure beyond the net revenue, as stated above, amounting to £972,791.

The gross revenue derived from the three Presidencies separately, and their expenditure, were as under:—

	Receipts. £	Expenditure. £	Deficits. £
Bengal	12,205,716	12,908,007	702,291
Madras	4,956,871	5,191,095	234,224
Bombay	4,643,464	4,803,076	159,612
Totals	21,806,051	22,902,178	1,096,127

The above sums do not include the other territories over which the East India Company exercises its authority. The total revenues and expenditure of India for the last four years are given as follow:—

	Revenue. £	Expenditure. £	Deficits. £
1853-4.....	26,510,185	28,554,302	2,044,117
1854-5.....	27,312,235	29,019,599	1,707,364
1855-6.....	28,891,299	29,864,090	972,791
1856-7*	29,344,960	31,326,022	1,981,062

These deficits do not, however, occur in the North-Western and other territories, for the North-Western Provinces have, during the same period, yielded the following surplus:—

	Surplus. £
1853-4	3,702,814
1854-5	3,751,864
1855-6	3,493,640
1856-7*	3,688,406

The commerce of British India has largely increased of late years, the declared value of British exports, exclusive of Singapore and Ceylon, having been as follows, during the last five years:—

	Exports. £
1852	6,483,627
1853	7,324,147
1854	9,127,556
1855	9,949,154
1856	10,546,190

The import trade from India with Great Britain in 1854 amounted to £10,672,876, and in 1855 to £12,668,774, making the trade between the two countries upwards of £23,000,000 per annum, in a direct form, exclusive of shipping, &c.

The debt of the Indian Government has for several years been on the increase. By the official returns the total amount on the 30th of April, 1856, was as follows:—

* Estimated.

The amount of PRINCIPAL *and* INTEREST *payable on the* PUBLIC DEBTS, *outstanding at the several Presidencies of* INDIA *on the 30th April,* 1856:—

	Amount of Debt.	Rate of Interest.	Annual Amount of Interest.
BENGAL: REGISTERED DEBT:	£		£
Loans	338,178	6 per cent.	20,291
Ditto	3,744,141	5 per cent.	187,207
Ditto	39,392,841	4 per cent.	1,575,714
Ditto	530,730	3½ per cent.	18,575
	44,005,890	.....	1,801,787
Loan transferred from Fort Marlborough	715	10 per cent.	71
Treasury notes	917,133	6, 4, and 3¾ per cent.	37,097
Civil and medical funds	2,268,300	6, 5, & 4 per cent.	135,789
Miscellaneous deposits	106,166	3 per cent.	3,185
	47,298,204	.....	1,977,929
NORTH-WESTERN PROVINCES, including the annexed territory:			
Miscellaneous deposits	18,750	4 per cent.	750
Temporary loans	219,656	5 per cent.	10,982
	238,406	.....	11,732
MADRAS:			
Loans	14,437	8 per cent.	1,155
Ditto	7,547	6 per cent.	453
Civil, military, and medical funds	839,330	6 and 5 per cent.	46,981
Miscellaneous deposits	77,755	6, 5, 4, 3¾ & 3 per cent.	2,779
Treasury notes	49,172	4 & 3¾ per cent.	1,960
Fund for redemption of the bonds issued to the creditors of the late Rajah of Tanjore.	395,423	4 per cent.	15,817
	1,383,664	.....	69,415
BOMBAY:			
Civil annuity, and other funds	568,019	6 per cent.	34,081
Civil, provident, and military funds	881,287	5 per cent.	44,064
Miscellaneous deposits	112,383	3 and 4 per cent.	3,573
Treasury notes	1,406	3¾ per cent.	53
	1,563,095	.....	81,771
Total debt	50,483,369	.....	2,140,577

FINANCIAL SUMMARY.

The actual financial position of British India can easily be obtained from the above statement of accounts. The debts of the Company are in part liable in India and part in London. The following statement will shew the extent of both:—

THE CAPITAL DEBT.	£
The Debt in India	50,483,369
Capital Stock of the Company	6,000,000
The Home Bond Debt, bearing interest	3,894,400
Ditto, not bearing interest	20,917
Total	£60,398,686

It is necessary to observe here, that, by the Act of 1833, a portion of the trading assets of the Company, amounting to £2,000,000, should be invested in public securities as a guarantee for the redemption of the capital, the right

of which the Government reserved to itself, after the 30th of April, 1874, at the rate of £200 for every £100 of the Stock of the Company, with a proviso that the Stock might be claimed by the Company in 1854 if the Government of India were withdrawn from its management. It depends, therefore, upon the arrangements made with the East India Company as to what portion of this debt will be paid by the accumulating fund of £2,000,000 at compound interest. By an official return just issued*, the Commissioners for the Reduction of the National Debt have received in dividends on the £2,000,000, between the 5th of July, 1834, and the 5th of August, 1857, the sum of £2,282,594 12*s.* 6*d.*, making the aggregate fund £4,282,594 12*s.* 6*d.* The original sum invested was £2,222,090 18*s.* 11*d.* in Reduced Three per Cent. Annuities, and £6,841 17*s.* 7*d.* in Three per Cent. Consols, and the interest accumulated is represented by £1,677,149 18*s.* 2*d.* in Reduced Three per Cents., and £799,578 4*s.* 8*d.* in Three per Cent. Consols, so that the whole sum is represented by £806,420 2*s.* 3*d.* in Consols, and £3,899,240 17*s.* 1*d.* in Reduced Three per Cents.

The annual charge on the Debt of India is as follows:—

ANNUAL INTEREST.	£
Capital Stock at 10½ per cent.	632,000
Interest on Home Bonds at 4 per cent	152,000
Ditto on Indian Debt.....	2,140,577
Total annual interest.....	£2,924,577

MEXICO.

The Mexican Three per Cents. originated in two loans, contracted in this country in 1824 and 1825; the first was for £3,200,000, at 58 per cent., bearing interest at 5 per cent. per annum; and the second was £3,200,000, at 89¾ per cent., bearing interest at 6 per cent. per annum, making a total of £6,400,000. The 6 per Cent. Loan was subsequently converted into a 5 per Cent. Loan, at the rate of 112½ Five per Cents. for £100 of Six per Cents. These loans, on which no interest was paid from October, 1827, to April, 1831, have undergone a variety of changes, and the bondholders have experienced numerous disappointments. In that year coupons, which represented the arrears of interest to that date, were to be received for Deferred bonds which were to bear interest from the 18th of April, 1836; the 6 per cent. Deferred bonds being issued at 75 per cent., and the 5 per cent. at 62½ per cent.; a receipt was at the same time to be given for *half* the coupons due from the 1st of April, 1831, to the 1st of April, 1836, as well as the dividend due on the 1st of April, 1836, for which bonds were to be given in exchange for the same, and on the same conditions as the other bonds; but this proposal was never fulfilled.

In 1846 a new proposal was made to the bondholders and accepted, which was the creation of a new debt to the amount of £10,241,650, which should comprise the Active and Deferred bonds as well as the debentures of the foreign

* Parl. P. No. 258, Ses. 2, 1857.

debt: the Active bonds to be converted into the new consolidated debt at £90 for every £100 of Active bonds, including arrears of interest, and the Deferred bonds and debentures were to be converted at the rate of £60 for every £100 of the Deferred bonds and debentures; by which the following debt was created:—

	£
Active bonds	5,032,485
Deferred bonds and debentures	3,074,400
To the redemption of interest bonds secured on tobacco and other revenues, and supplying funds to the Government	2,134,765
Total	10,241,650

The following revenues were proposed to be set apart for meeting the interest on the above debt and sinking fund:—

	£
One-fifth of Customs at Vera Cruz and Tampico	250,000
Export duty on silver	75,000
Tobacco revenue, at the rate of 117,608 dollars per month	294,167
	619,167
Annual interest of the debt	533,854
Surplus to be applied as sinking fund	85,313

This arrangement was set aside by a war with America in 1848, when the ports of Vera Cruz and Tampico were seized by that Power, and the dividend consequently suspended; but on its termination the American Government agreed to pay to Mexico 15,000,000 dollars, provided that a portion of Mexican territory were ceded, of which California formed a part, notwithstanding that the same territory had been before granted to the bondholders by the Conversion effected under the agency of Messrs. Lizardi and Co., in 1837-8

In 1849 Mr. W. P. Robertson was despatched to negotiate with the Mexican Government, when he entered into a Convention with the Finance Minister, Don Franciso de Arrangois, to reduce the interest to 3½ per cent. from July, 1849, to July, 1859, and to satisfy the arrears of interest due from July, 1846, to 1849, at 3½ per cent., by appropriating 4,000,000 dollars of the American indemnity money, to be taken proportionally in three parts from the sums left due from America, and in case this sum were not sufficient to meet the arrears of interest due from the 1st of July, 1846, to July, 1849, at the exchange of 46 d. the dollar, the deficit should be given up in favour of Mexico. By the 7th Art. of the Convention the difference in the rate of interest from July, 1846, to 1859, viz., 1½ per cent. or 19½, was to be ceded to Mexico entirely. But in case the dividends were not paid during this period at the rate of 3½ per cent., the bondholders were allowed to annul the contract.

In 1850 a new arrangement was entered into, and the following decree was sanctioned by the Congress and the President, and accepted by the bondholders in December of that year:—

"Art. I. If the creditors of the Debt contracted in London, and converted in 1846, agree to the conditions expressed in the following articles, the Mexican Government will give them a draft on the United States, payable out of the indemnity, for 2,500,000 dollars.

"II. The conditions are as follow :—

"1. The interest of the Debt shall remain indefinitely reduced to an annual interest of 3 per cent. on the capital of £10,241,650, the amount acknowledged by Mexico.

"2. That, with the said 2,500,000 dollars, with what the creditors have already received up to the date of this law, and with what they may receive to the time of the approbation of this regulation, there shall be considered as paid all the interest due up to the date of said regulation.

"3. For the payment of the interest of the new fund of 3 per cent., 25 per cent. of the importation duties of the maritime and frontier custom-houses shall be especially assigned, together with 75 per cent. of the exportation duties of the ports of the Pacific, and 5 per cent. of those of the Gulf; completing the amount of dividends with other revenues when the above-mentioned assignments are insufficient for the full payment.

"4. During the first six years after this regulation, there shall not be assigned for the extinction of the debt any more than the amount which may remain from the appropriation for the interest, should there be any; after that time there shall be annually remitted to London 250,000 dollars for the extinction of the debt, which shall be done at the market price, when this is not above par.

"III. The bondholders may, if they choose, name agents in the ports, but from the moment the said agents receive the funds, all responsibility on the part of the Government of Mexico ceases; the said Government to pay the cost of embarkation, insurance, and freight, as is customary.

"IV. The actual bonds, converted in 1846, shall be changed for others to be issued by the general treasury, which shall be revised by the agent of the Republic in London. No bond of the old fund shall be issued before obtaining an old one of an equal amount of the same number and letter. The bonds thus withdrawn shall be rendered useless immediately, by cutting out of the centre a piece, of an inch in diameter; the bond then to be deposited in the archives of the Legation, publishing monthly a specified statement of the number of bonds withdrawn. The Republic declares itself not responsible for the bonds issued without these conditions. There shall not be paid any commission, brokerage, nor duties for the Conversion mentioned by this law.

"V. The agency in London shall be conducted by Commissioners removable by the Mexican Government. They shall be Mexican citizens, the principal of whom shall be named by the Government with the approval of the Senate, and the expenses of this business shall not be more than 15,000 dollars a year. The functions of the agents respecting the distribution of the funds shall be confined to the depositing the money remitted in the bank, and paying the dividends at the proper time."

Resolutions passed at the General Meeting of Mexican Bondholders, held at the London Tavern, on Monday the 23rd December, 1850, viz :—

1. That the Report of the Committee of Mexican bondholders be received.

2. That this Meeting, having duly considered the Contents of the Decree of the Executive Government of the Republic of Mexico, promulgated an act of Congress of that State, dated 14th October, 1850,—and authenticated by the signatures of the Vice-President and Secretary of the Chamber of Deputies, the President and Secretary of the Senate, and countersigned by the President and Finance Minister, having for its object a further compromise of the claims of the Foreign bondholders of Mexico, and having also taken into account the statement made by the Government of the condition of the revenue in reference to their claims :—

Resolved.—That although the terms proposed involve a great additional sacrifice of the interests of the Foreign bondholders, yet, on maturely considering all the circumstances of the case, this Meeting deems it expedient to accede to those terms, which are hereby agreed to, and the Committee are hereby authorized as our Representatives, and on our behalf, to make the necessary arrangements to complete the settlement on the conditions proposed in the said Decree.

3. That as this concession, thus unreservedly made by the Foreign bondholders, added to the former sacrifices, amounts to 25 millions of dollars, this Meeting entertains a sanguine hope that their generosity will be appreciated, as it deserves, by the Mexican Government and people, and that, as a matter of bare justice in return,—there being every probability of the finances of the country rapidly improving,—the earliest opportunity will be embraced to obtain the sanction of the Legislature to a modification of the 2nd article of the Decree, so as to limit the reduction of the rate of interest to a period of years, and not to enact it *in perpetuity*.

4. That on the ground expressed in the foregoing resolution, the bondholders expect that the Mexican Government will find the means of making some compensation for the great sacrifices thus made from out of the unappropriated lands of the Republic, such a mode of indemnity being obviously practicable, whether the said lands are placed at the disposal of the Central Legislature and Executive, or of the several States of the Federation, all these lands being in justice and equity alike liable as security for the debt due to the Foreign creditors.

The produce of the revenues resigned would be more than sufficient for the payment of interest on the debt at the rate of 3 per cent. per annum, if it could be advantageously secured against the encroachments of the Mexican Government, but owing to the necessities and the want of good faith on the part of that Republic, and the absence of efficient protection for this species of British property on the part of our own Government, out of fourteen half-yearly dividends which have become due under the Decree of the 14th October, 1850, six only have been paid, and eight, amounting to 12 per cent. on the debt, are in arrear. The last half-yearly dividend, which was paid in October, 1855, was that due on the 1st July, 1853.

The Committee of Mexican bondholders have lately procured from the Government of that Republic a Decree, dated 23d July, 1857, which confirms the right of the bondholders, under Article 3 of the 14th October, 1850, to appoint agents in the ports, and make them receivers of the revenues assigned for the payment of interest on the foreign debt, and as it regulates the mode of carrying into effect that article, and also modifies Article 5 of the same Decree, we give it here *in extenso* :—

I, Ignacio Comonfort, President Substitute of the Mexican Republic, decree as follows :—

1. From the publication of this decree in every port the collectors of the maritime and frontier Custom-houses shall draw against the importers and in favour of the agents of the bondholders of the debt contracted in London for the portion of duties which section 3 of Art. 11, of the law of the 14th of October, 1850, assigns for the payment of the interest of the said debt. These bills shall be made payable in hard eagle dollars of the legal stamp, weight, and assay, and after having been duly accepted, shall be delivered to the agent named by the bondholders themselves, or through the medium of a Commissioner in the Republic. The same agent will at once receive such parts of all duties payable in cash as are assigned to the payment of dividends.

2. Immediately on delivery of the money and the bills the responsibility of the Government ceases, unless these latter be returned protested in due time and form.

3. The agents shall remit to the Bank of England, to the joint consignment of the financial agency of the Republic and of the Committee of bondholders, the amount collected by them, which shall be realized and credited in the same manner as hitherto.

4. The maritime Custom-houses shall only pay the cost of the boxes, wrappers, and shipping charges of the money until placed on board of the vessel conveying the remittances direct. These direct remittances shall be made by vessels of war, packets, or, in their default, by English merchant ships ; and on remittances made by way of the

Ishthmus, they (the Custom-houses) shall also defray the freight to Panama, or port of discharge in the Pacific. The usual freight, insurance, and discharge in England shall be paid in London by the Mexican agency, who shall advise the amount to the Finance Department, in order that it may be replaced by the following packet.

5. In the ports where there are no agents, or where there is no facility for the remission of specie, Government shall receive the amount which ought to be separated for account of the bondholders, and every three months shall pay the amount so received in another port named by it, giving order to that effect to the collector, that he may hand it over and cover the expenses as though it proceeded from his own Custom-house.

6. The commission of the port agents shall be for account of the bondholders exclusively; but as a measure of convenience the former shall be empowered to deduct the said commission at the time of embarking the amounts collected, and the Mexican agency in London shall charge it in account current to the bondholders, and deduct the amount on the payment of the dividend as well as any other expense incurred by the committee in the management of their affairs.

7. When the account kept proves that a sum equal to a six months' dividend has been received in London from the Mexican Government, the financial agency shall give public notice that the money is about to be paid, and shall proceed to effect it, cutting off the respective coupons.

8. The Mexican Government defrays the expense of the dividend in London.

9. The agents of the bondholders in the ports shall give to the respective collectors a receipt in triplicate for every amount paid there in money or bills. The collector shall retain one copy of this document, and remit another to the Junta de Credito Publico, who have the management of the account of the debt contracted in London, and the third to the general Treasury.

10. The funds which on the publication of this Decree are held by the collectors of the maritime Custom-houses in cash belonging to the English debt shall be delivered to the agents, and those which are still to be recovered shall be given over in bills payable on the expiration of the credits, as set forth in Art 1.

11. The salaries of the Mexican agency shall be paid by the Custom-house of Vera Cruz out of the Government part of the duties, remitting every month 1,150 dollars. In case of any remittance being deferred the agency shall take the amount from the dividend fund, on the understanding that it shall be repaid by the following packet.

I therefore order that this shall be printed, published, and take effect accordingly. Given in the Palace of the National Government in Mexico, 23d January, 1857.

IGNACIO COMONFORT.

The exports to Mexico in 1856 were £887,862.

NEW GRANADA.

The external debt of New Granada is a portion of the Old Colombian Debt, on which 50 per cent., or £3,312,975, were apportioned to this State by the Convention of 1834, with arrears of interest in the same proportion. After neglecting for several years the payment of the interest on this debt, a new arrangement was made with the committee of Spanish-American bondholders, in January, 1845, by which new bonds were to be issued for the *principal* of the debt, bearing interest at 1 per cent. per annum for the first four years, and thenceforward at an annual increase of $\frac{1}{4}$ per cent. until it reached 6 per cent. Bonds for the arrears of interest were to be issued to form a capital of 100 per cent. upon the original debt, or equal to the same amount, to commence bearing interest at the end of *sixteen years* at the rate of 1 per cent. per annum, which was to be increased annually by $\frac{1}{8}$ per cent. until it reached 3 per cent.; both descriptions of bonds were to be received at par in the purchase of national property; the net proceeds of the revenue from tobacco and half the

proceeds of the customs were to be hypothecated for the payment of the interest. This arrangement was only fulfilled to the 1st of June, 1848, when the interest was again allowed to be in arrear; it was, however, discharged to the 1st of December, 1849, by an issue of Treasury Bills, receivable in payment of customs duties in the proportion of 14¾ per cent. The last payment made in cash was on the 12th of April, 1854, in discharge of the coupon dated June 1st, 1850; the next six dates of coupons, viz., from the 1st of December, 1850, to the 1st of June, 1853, inclusive, were converted into Peruvian Four-and-a-half per Cent. Bonds by exchanging the same for Granada coupons then in arrear, Messrs. Baring having received 906,000 dollars in such bonds to be exchanged.

New Granada has an active debt of £3,300,000; the arrears of interest are now due since December, 1853, when the half-year's coupon was £1 2*s.* 6*d.* per cent.; and at this time the coupon is £1 12*s.* 6*d.* per cent.; and in June, 1868, it will bear the full interest of 6 per cent. per annum. In October, 1856, the Government of New Granada proposed to pay the coupons from December, 1853, to December, 1855, inclusive, amounting to £207,600 17*s.* 6*d.*, by giving bills on the Customs; this was accepted by the bondholders, but the Government have not as yet carried out their own offer.

There is also a Deferred Debt of £3,300,000, which, though dated in June, 1845, when the Old Colombian Debt was divided among the States of New Granada, Ecuador, and Venezuela, was not to commence bearing interest until December, 1861, when it shall carry 1 per cent., and to increase at the rate of ⅛ per cent. per annum until December, 1877, when it will carry 3 per cent. interest.

One of the errors of the arrangements with defaulting States has been the creation of an Active Debt representing the capital, and of a Deferred Debt representing the overdue interest. It would have been far better to have amalgamated the whole. The market would have been larger; the value, consequently, higher; the facilities for dealing much greater. The arrangements would have been more simple; there would have been but one class of bondholders.

This country is, perhaps, the most favoured in the whole world. It has every variety of climate, from tropical marshes to the region of eternal snow; it has vast plains, where the temperature admits of constant labour; rivers act the part of highways; it has the command of ports in both the Atlantic and the Pacific Oceans; it produces every known metal; it has immense coal fields easy of access; its salt mines are ample; its constitution of self-government admits the emigrant of any religion freely; and yet it does not maintain its credit.

PERU.

There are two descriptions of Peruvian Securities negotiated in London—the *Four-and-a-half* per cent. and the *Three per cent.* Bonds, which originated in a loan of £450,000, contracted in London in 1822, at 88 per cent., bearing interest at 6 per cent.; by a second loan of £750,000 in 1824, at 82 per cent., bearing 6 per cent. interest; and by a third loan in 1825, at 78 per

cent., bearing interest at 6 per cent. per annum, making the total £1,816,000. The bonds were in sums of £100 to £1,000 each, on which the dividends were due the 1st of April and the 1st of October. No interest was paid on this debt from October, 1825, to 1849, when the guano deposits of the Chincha Islands were discovered, a very fortunate discovery for the bondholders, who had begun to despair of ever recovering any portion of the interest or principal due.

In January, 1849, a new arrangement was entered into with the bondholders, by which new bonds issued for the loans of 1822 and 1825 should be converted into new bonds, bearing 4 per cent. interest from the 1st of April, 1849, to be increased ½ per cent. annually until it reached 6 per cent., that would be from the 1st of April, 1853. For the arrears of interest, amounting to about £2,615,000, Deferred bonds were to be issued for 75 per cent. of the amount, or £1,961,250; these bonds to bear interest at the rate of 1 per cent. per annum until they should reach 3 per cent. per annum; that would be from the 1st of April, 1856. By Art. 3 and 4 a sinking fund was to be established of not less than 1 per cent. per annum on the 6 per cent. bonds, from the 1st of April, 1853, and of ½ per cent. on the Deferred bonds from the 1st of April, 1856, which arrangement is exhibited in the following statement:—

		Interest on Active Debt. Per Cent.	Interest on Deferred Debt. Per Cent.	Sinking Fund on Active Debt. Per Cent.	Sinking Fund on Deferred Debt. Per Cent.
To the 1st of April,	1850	4	..	..	..
	1851	4½	..	..	..
	1852	5	..	..	..
	1853	5½	1	..	..
	1854	6	1½	1	..
	1855	6	2	1	..
	1856	6	2½	1	..
	1857	6	3	1	½

These bonds were to be admitted for their nominal amount in all sales of national property, and in payment of customs duties on the same terms as the internal debt of Peru; these bonds were also to be convertible into bonds of the internal debt of Peru, to enjoy equal rights, the conversion to be made at the rate of 550 dollars for £100 sterling. The performance of these stipulations was guaranteed by the Government of Peru, specially and exclusively hypothecating one moiety of the *net* produce of the guano annually exported to the United Kingdom, after deducting the charges of freight, shipping, and commission on sales.

In 1852, by a law of Congress, dated the 5th of February in that year, power was conferred on the Finance Minister, Senor Mendiburu, to contract a loan through the London agents, Messrs. C. de Murrieta & Co., and C. J. Hambro & Son, for £2,600,000, for the purpose of redeeming the 6 per cent. loan, which then amounted to £1,535,800, and to refund a home debt amounting to £600,000, bearing higher rates of interest. The subscription price was 85 per cent.; the interest, 4½ per cent. per annum, to commence from the 1st of March, 1853, and payable half-yearly on the 1st of March, and the 1st of September, in each year.

The holders of the 6 per cent. Active bonds were entitled to £118 10*s.* in the Provisional Certificates (being at the rate of 85 per cent. after allowing discount on instalments at 4 per cent.) in exchange for £100 of such 6 per cent.

stock ex-coupon of the 1st of April following. Annexed are the conditions on which the loan was contracted:—

				£
A	600	bonds of £1,000	each	600,000
B	2,000	,, 500	,,	1,000,000
C	10,000	,, 100	,,	1,000,000
				£2,600,000

"A sum of £52,000, or 2 per cent. of the nominal capital, will be annually appropriated to the redemption of the loan, which redemption is to commence on the 1st September, 1854.

"The redemption is to be effected by purchases when the bonds are below par, and by drawings by lot when they are above par.

"The Peruvian Government reserves to itself the right of paying off at par so much of the loan as shall not have been redeemed at the expiration of ten years from the date of the contract.

"Besides the formal guarantee of the Republic of Peru, with all its revenues, the Government hypothecates as security for this loan one-half of the net produce of the exports of guano to the United Kingdom. It further pledges itself to hypothecate, if necessary, as additional security for this loan, as much more of the proceeds of the said exports of guano as may be hereafter made available by the repayment of the former loans.

"The results of the guano sold in the United Kingdom during the last two years were as follow:—

	£
1851— 87,987 tons, producing, net	369,580
1852—138,149 ,, ,, ,,	582,813
	£952,393

or an average of, *circà*, 113,000 tons, worth, net, £474,600."

By this conversion the bondholders submitted to a loss of 13*s.* 5*d.* per cent. in the *interest*, but received a premium of £18 10*s.* in the *capital*. At the time of this Conversion, the interest on the Deferred bonds was raised at once to 3 per cent. instead of deferring it to 1857.

The English bondholders in 1854 were greatly dissatisfied at having a portion of the guano productions secured to other contractors of loans for the Peruvian Government, amongst whom were Messrs. Uribarren & Co., and Messrs. Montané & Co. of Paris: and it was alleged that these loans were surreptitiously introduced as a part of the internal debt of Peru, and proved ultimately to have been raised for the liquidation of long standing claims upon the Government. There was also a small loan contracted with Mr. J. Hegan, of Liverpool, for the Arica and Tacna Railway, at 4½ per cent. per annum, which was also secured on the surplus revenue of the guano importations after the original bondholders' claims had been satisfied. The following statement shews the amount of the loans, the rates of interest and sinking fund, and the proportion of guano receipts hypothecated to each party at that period:—

Contractors.	Rate of Interest.	Capital. £	Sinking Fund. £	Total Annual Interest. £	Proportion of Guano hypothecated.
Messrs. Murrieta & Co.	4½	2,600,000	52,000	117,000	one-half.
,, ,,	3	1,700,000	8,000	51,000	one-eighth
Messrs. Uribarren & Co.	4½	1,000,000	10,000	45,000	three-eights.
Messrs. Montané & Co.	4½	800,000	8,000	36,000	
Mr. J. Hegan	4½	400,000	4,000	18,000	
Totals		6,500,000	82,000	267,000	

The imports of guano into the United Kingdom since 1846 have been as under. But the Government returns of the imports into this country are not very reliable, because, as the article is duty free, it follows that it may be landed at any point of the coast to suit the convenience of the agriculturists.

1846	89,000 tons.*	1852	129,000 tons.
1847	82,000 „	1853	123,000 „
1848	71,000 „	1854	235,000 „
1849	83,000 „	1855	305,000 „
1850	116,000 „	1856	191,000 „
1851	243,000 „		

It is satisfactory to know that even if there should be any discovery of ammoniacal guano fitted for wheat like that of the Chincha Islands, or of a phosphatic guano fitted for mangel wurzel or turnips, such as that of Ichaboe, that the demand is more than equal to the supply, the price of guano being constantly on the increase.

On the Lobos Islands and in the mainland are deposits of guano, but it is supposed that the quality is inferior to that of the Chinchas. It is now some years since there was any examination of these deposits by surveyors; and as the credit of Peru depends so much on the quantity and quality of this guano, no time should be lost and an examination made with competent surveyors, and positive proof of its value obtained.

The sinking fund of the Peruvian 4½ per Cent. was originally 2 per cent.; but in December, 1855, it was raised to 5 per cent., and this year it was raised to 7 per cent. by a decree of the Convention, and it is possible that it may ultimately be 10 per cent. The reason why this large increase in the sinking fund has taken place, arises from the anxiety of the Peruvian Government to pay off its debts, because the guano may not last for any great period; and at all events it is but wise and honest to pay debts while there are means. This fund in any case is accumulative, and for this particular debt it is only a question of a few years before it is entirely liquidated.

The sinking fund of the Peruvian 3 per Cent. was originally ½ per cent.; but in December, 1855, it was raised to 3 per cent.; and although it has not received any increase from the Convention, still it is expected that it will be raised to 6 per cent. at the same time when the other is advanced.

The Peruvian 4½ per Cent. Uribarren Bonds were originally authorized to the extent of 9,000,000 dollars, to be converted from the home debt into £1,800,000; but of this amount only £1,100,000 has been issued, the remainder having been withdrawn and cancelled without being issued. For political reasons the coupons of 1855 and 1856 were left unpaid, and the sinking fund of 4 per cent. was left unapplied; but the Convention have determined that the coupons due last July should be paid, and they have been paid; that the arrears due in 1855 should be paid in 1858; and the arrears due in 1856 should be paid in 1859; also that the sinking fund of 1855 should be applied in 1858, making 8 per cent. that year, and the same amount for the two years after; but in 1861 the sinking fund will only be 4 per cent.,

* These are principally from Peru.

which, however, will be a little larger from the accumulations of prior amortizations.

The Peruvian 4½ per Cent. Hegan Bonds arose from the conversion of 2,000,000 dollars of the home debt into £204,000 of debt payable in London. The Peruvian Government economised not only 1½ per cent. on the interest, but also saved something more in exchanges and commissions, because the proceeds arising from the sale of the guano in London furnish the assets out of which all the dividends are paid. The same arrangement with regard to the sinking fund is to be applied as to that of the Uribarren Loan. The dividends on these bonds have been applied with great regularity.

There is in circulation in London another class of Peruvian Bonds, called *Dollar Bonds*. Peru was indebted to Old Colombia for supplies and services rendered to her during her emancipation from Spain, in a sum which was finally fixed at 4,000,000 dollars. Venezuela received her proportion of 28½ per cent., or 1,140,000 dollars, equal to £228,000; and in strict accordance with her principles, never to recognize the interest of her foreign bondholders, she compounded the claim, received the money, and applied it to her own uses. Ecuador handed over 25½ per cent., 860,000 dollars, equal to £172,000, to her bondholders in liquidation of a portion of her arrears; and New Granada gave over 50 per cent., 2,000,000 dollars, equal to £400,000, in part payment of her arrears. These bonds bear interest at 4½ per cent. and have a sinking fund of 1 per cent. accumulative, and are secured upon the guano sold in the United States. The coupons are only payable in New York. At the time of the issue of these bonds they were only intended for the settlement of a debt between the countries immediately interested. They are badly printed; and as they have fallen into the hands of private parties, it has been ordered, to prevent any irregularities, that the coupons must be cut off in the presence of the London-Peruvian financial agents, and their certificate verified by the Peruvian minister.

The condition of Peru is rapidly improving—the short railroad from the port of Callao to Lima pays a profit of from 20 to 25 per cent. per annum. The railroad from the port of Arica to Tacna, in the southern part of Peru, has opened up the traffic from the interior of Bolivia, particularly in nitrate of soda. The capital for this road has been raised in London, and there is a guarantee from the Peruvian Government of 5¾ per cent. Moreover, the submarine telegraph from Panama to Callao and to Valparaiso is in consideration.

By the Budget of 1855, the expenditure of Peru was 10,452,000 dollars, or £2,090,400, and the revenue 8,950,000 dollars, or £1,790,000.

The British exports to Peru in 1856 amounted to £1,046,010.

PORTUGAL.

The history of the external debt of Portugal is associated with a number of very unfavourable circumstances, which were for several years borne by the English bondholders. By a series of conversions, the foreign debts of Portugal assumed such a variety of forms that the original debt could scarcely be recognized. The original contracts were, however, as follow :—

	£
Regency loans of 1831, 1832, and 1833, contracted at 48 per cent. with Messrs. Ricardo, about.....	4,000,000
Loan of £1,000,000, contracted in 1833 with Messrs. Goldsmid, at 94 per cent., bearing interest at 6 per cent., but reduced in 1840 by redemption and conversion to a 3 per cent. stock loan.....	90,000
Loan of £6,000,000, contracted in 1835 by Messrs. Rothschild, at 70 per cent., bearing 3 per cent. interest, but reduced 40 per cent.....	3,600,000
Loan of £900,000, contracted in 1836 by Messrs. Goldsmid, at 80 per cent., afterwards transferred to Brazil, except 250,000 loan of £1,000,000, contracted in 1837 by Messrs. Goldsmid	1,000,000
Total.....	£8,940,000

The above sum was the amount due in 1840, to which was to be added 3¼ years' interest in arrear, making the total amount about £10,000,000, which, by a decree dated the 2nd of November, 1840, was converted into a new stock in 1841. The interest was to be payable at rates increasing as follows :—

At 2½	per cent.	for 4 years,	from July 1st,	1841.
At 3	,,	,, 4 ,,	,,	1845.
At 4	,,	,, 4 ,,	,,	1849.
At 5	,,	,, 4 ,,	,,	1853.

and at the termination of the last date the interest to be 6 per cent. until all arrears of interest were paid.

In 1845 the above arrangement was interfered with by proposing another loan for converting the whole of this debt into a permanent 4 per cent. stock; but this was only accepted to the extent of £6,500,000, while parties who held stock to the amount of £3,500,000 declined to accept the terms on which interest remained due from July, 1849, to July, 1851.

In 1852 a decree was passed by which the whole of the foreign debt was to be converted into a 3 per cent. stock, dated the 18th of December, of which the following is a copy :—

"Taking into consideration the Report of the Ministers and Secretaries of State I am pleased to decree as follows :—

"1st. The internal *titulos de destracte* of 6 per cent., at the rate of 120 per cent.

"2nd. Inscriptions, &c., of 5 per cent., at the rate of 100 per cent.

"3rd. Inscriptions, &c., of 4 per cent., at 80 per cent.

"4th. The *titulos* of the Azores debts at 100 per cent. for the 5 per cent.; the 3 per cents. at 60, and the 2 per cents. at 40 per cent.

"5th. The 5 per cent. Bonds of the External Debt of 1841 (decreed to be converted on the 2nd of November, 1841), at 100 per cent.

"6th. The 4 per cent. Bonds of the External Debt of 1845 (converted by decree of the 19th of April, 1845), also at 100 per cent.

"7th. The debentures issued for the payment of coupons due up to 1840 which are still in circulation, as also the bonds and coupons of the old loans not converted, taking them, as the basis of calculation, to have been converted into the 5 per cents. of 1841.

"2nd Art. The 3 per cent. Bonds and Inscriptions issued by laws of the 26th of August, 1848, and the 30th of June, 1849, are also to be converted into the New 3 per cents. at 100 per cent.

"3rd Art. The receipts and certificates for the capitalization decreed on the 3rd of December, 1851, and issued, or to be issued, in conformity with the decrees of the 24th of December, 1851, and the 5th of January, 1852, and in which are included the internal and external dividends of the 31st of December, 1850, 30th of June and 31st of December, 1851, 30th of June, 1852, are all to be converted at the rate of 100 per cent.; but the interest due on the 31st of December, 1852, shall be first paid upon such receipts and certificates, in conformity with the decree of the 3rd December, 1851.

"4th Art. The difference of 1 per cent. per annum which the holders of the 5 per cent. Bonds of 1841 did not receive in money, and 3 per cent. Bonds during four years—1845 to 1848—because they had not agreed to the conversion decreed on 19th April, 1845, will be paid to them upon the realization of the present conversion, the money portion in the New 3 per cent. Bonds at the price the said 5 per cents. may then bear in the market, and the portion in Bonds of 3 per cent. in the New 3 per cents. at par.

"5th Art. The holders of the internal and external Consolidated Debts shall be indemnified for the deduction of 25 per cent. from the interest of the last half-year of 1848, and following dividends, until and including that of December 31, 1852, by giving them an equal amount in *titulos* of a Deferred Debt, which will begin to receive 3 per cent. interest on the 1st of January, 1863:

"6th Art. On the 1st of January, 1853, the following are reduced to three-fifths of their original amount:—

"1. The interests upon the 4,000 contos loan, paid to the Bank of Portugal by the tobacco contract.

"2. The life interests paid by the Board of Public Credit.

"7th Art. The endowment of the Board of Public Credit for the second half of the present financial year (January 1 to June 30, 1853) is to be regulated in conformity with the preceding articles of this decree.

"8th Art. The Bonds, Inscriptions, &c., exchanged for the New 3 per cents., in conformity with the 1st, 2nd, and 3rd Article, shall be cancelled, and *amortisadus* with the usual formalities.

"9th Art. To the holders of the internal and external debt who do not agree to this conversion, interest will only be paid after the 1st of January, 1853, at the rate of 3 per cent. per annum, and it will be reckoned as if they had agreed to that conversion without further compensation or advantage.

"10th Art. The Board of Public Credit is authorized to create and issue the inscriptions and bonds necessary for the execution of the present decree, and it ought immediately to draw up the necessary regulations.

"11th Art. Authority is given for all the expenses necessary to carry out this conversion.

"12th Art. All legislation contrary to this decree is revoked.

"13th Art. The Government will give an account of this decree to the Cortes, and the Ministers and Secretaries of State for the different departments will provide for its execution.

"THE QUEEN."

"*Palace of Necessidades, December* 18, 1852.

The promulgation of this decree not only caused the greatest dissatisfaction to the English Portuguese bondholders, but the Bank of Portugal entered a formal protest against it in reference to the 3 per cent. inscriptions mentioned

in Article 3, which had been specially assigned to it, in 1848, as a means of redeeming the debt of the Government due to the Bank. As the history of the Portuguese debt would be incomplete without this document it is inserted here :—

PROTEST OF THE BANK OF PORTUGAL.

"Whereas the Portuguese Government, by a late decree, dated the 18th instant, has resolved to convert into bonds, bearing 3 per cent. interest, the 5 per cent. Inscriptions and Policies, which originally, and by virtue of a solemn contract entered into by the said Government and the Bank of Portugal on the 19th November, 1846, confirmed by the Legislative Chambers in two different Sessions, and then converted into the law of the land by the Royal assent being given to the enactments of the 19th August, 1848, and of the 16th April, 1850, has been assigned to the endowment of the Special Sinking Fund, for the redeeming of certain stipulated debts, principal and interest, due by the Government to the said Bank and to other general creditors; and whereas the said Government persists in its determined intention of dispossessing the Bank of a security, which, though solid, had imposed upon the honour and trust of that establishment liabilities and obligations which it most scrupulously discharged towards the parties concerned; and as the Government, in thus acting, pleads the alleged and illusory pretext of raising capital for the construction of railroads, at an end which, as the said Government itself admits in the preamble of the said decree, was found utterly unattainable, notwithstanding the former act of iniquitous spoliation committed against the Bank and the other creditors, in spite of the most binding contracts and stipulations sanctioned by the Legislature in special laws, and of which flagitious breach of good faith, nay, common honesty, the Board of Directors of the Bank of Portugal, pursuant to a resolution passed at a meeting of shareholders, did, by their protest of the 18th of September last, give notice to the English public; the said Board of Directors do now make known that—

"Should the new bonds be tendered for negotiation in the English Money Market, they ought not to be considered a new Stock, insomuch as they actually originate in the policies and inscriptions previously assigned to the Special Sinking Fund, and alluded to in the said former protest of the Board of Directors published in England.

"That the object the Portuguese Government has in view obviously is to make a new attempt at raising money by tendering a security, which, in reality, is unalienably mortgaged and adjudged to previous liabilities; and the Board of Directors of the Bank of Portugal do, therefore, caution the unwary against suffering themselves to be entrapped by so unfair, nay, so dishonest a device.

"Finally, the Board of Directors do now renew, and most entirely ratify, their former protest, and do also declare their firm and unflinching resolve of lawfully, but strenuously, resisting and opposing to the utmost of their power all measures and proceedings detrimental to the acknowledged rights of the Bank of Portugal and of other creditors.

"The said Board do further declare that, in pursuance of the previous resolution agreed to at the meeting of shareholders, they will never recognize any transaction whatsoever that the said Government or its Agents may have realized, or may yet realize, on the security of such property as had been awarded to the Bank by the law of the 19th November, 1846; and do, moreover, caution any individuals, companies, capitalists in general, against entering into any loan, monetary transaction, or contract whatsoever; for the Board of Directors are most decidedly determined on prosecuting such companies, capitalists, and individuals in general, until the Bank of Portugal shall have recovered the property of which it has been so unjustly spoliated.

"JOAQUIM PEREIRA DA COSTA, *President*.

"JOSE LOURENCO DU LUX,
JOSE MANUEL LEITATO,
AUGUSTO XAVIER DA SILVA,
FRANCISCO DE ASSIS BASTO,
HENRIQUE NUNES CARDOSO,
JOAQUIM JOSE FERNANDES,
ANTONIO JOSE PEREIRA SERZEDELLO,
JOSE IGNACIO DE ANDRADE, } *Directors*."

"*Lisbon, December* 17, 1851.

A protest against this conversion was also issued by Mr. Richard Thornton, the Chairman of the Portuguese Bondholder's Committee, dated the 2nd of August, 1854; but a resolution of the Committee of the Stock Exchange was passed on the 10th of January, 1853, by which "no pretended security of the Portuguese Government should be recognized on the Stock Exchange until the decree of the 18th of December, 1852, should be annulled."

In defiance of these obstacles the Government proceeded with the conversion, and up to the 31st December, 1855, the following was the state of the converted and unconverted debt:—

A General Statement of the Sums converted, and of those remaining unconverted, on the 31st December, 1855:—

	Converted.			Unconverted.		
	£	s.	d.	£	s.	d.
Five per cent. Bonds of 1841, and Certificates, including £6,900 into Internal Debt	1,862,846	2	9	1,639,264	15	6
Four per cent. Bonds of 1845, including £66,050 ditto	3,556,050	0	0	2,062,450	0	0
Three per cent. Bonds of 1848, and Certificates, including £3,073 10*s.* 5*d.*, ditto	93,245	10	7	66,473	19	9
Five per cent. Regency Bonds	300	0	0	2,200	0	0
Three per cent. Bonds of 1835	1,000	0	0	1,650	0	0
Debentures	10,653	0	0	49,375	0	0
Capitalization Certificates of 1851, including £6,814 6*s.* 3*d.* into Internal Debt	427,803	9	3	9,589	14	0
	£5,951,898	2	7	£3,831,003	9	3

London, March 5, 1856. G. C. X. DE BRITO, Financial Agent.

At a meeting of the bondholders held on the 18th of January, 1856, Mr. R. Thornton in the chair, fresh proposals were recognized by the Portuguese Government under the Finance Minister, M. Fontes, in which the whole of the creditors were allowed to participate, whether they have converted, or refused to do so; Mr. Thornton agreeing, in conjunction with other capitalists, to assist in raising a further loan of £1,500,000 for railways and other improvements in Portugal. The following is a copy of the document, with the conditions submitted, and the resolution passed at the meeting, with only one dissentient:—

"London, Dec. 13, 1855.

"Mr. Thornton will accept the following terms, and will recommend the dissentient Portuguese bondholders to do the same:—That the Portuguese Government, in addition to the terms of the decree for conversion, dated the 18th of December, 1852, give the holders of the various classes of stock as under:—On 5 per Cent. Bonds, £6 per cent. in Deferred 3 per Cent. Stock, with interest from 1863; on 4 per Cent. Bonds, £3 per cent. in ditto; and, with regard to the debentures, it is understood that, in addition to the terms of the decree of the 18th of December, 1852, the holders of such debentures are to receive £100 3 per Cent. Active Stock for every £100 of such debentures, and, in addition to the above, a certificate shall be given, entitling the holder of every £100 3 per Cent. Stock to 1 per cent. annually, or any smaller sum that may arise from surplus profits of the railways to be

constructed out of the proposed loans—*i. e.*, such surplus to be calculated on the basis of the annual cost of interest by which the capital has been raised for their construction; that, in addition to this specific claim expressed, there shall exist the general claim upon the improved resources of the country, after the payment of the expenses which shall have been authorized by law as those resources may be developed.

"It is understood that on the foregoing being completed Mr. Thornton shall call a meeting of the bondholders, recommend their adhesion to the proposition, and propose a resolution, that the bondholders are satisfied with the arrangement, and request the Committee of the Stock Exchange to quote Portuguese securities. He will also, in conjunction with Messrs. Fould and Co. and Messrs. C. Devaux and Co., do his utmost to raise a loan for the Portuguese Government of £1,000,000 sterling for railways, and £500,000 sterling for the construction of common roads, harbours, and other undertakings of public utility; and, in the event of the said loans being negotiated by them, they are to have the preference in the raising of future loans; the price and commission to be agreed hereafter. In my capacity of Minister and Secretary of State of the Finance Department, and on behalf of the Government of His Most Faithful Majesty, I accept the terms of the present agreement, subject to the approval of the Cortes.

"A. M. DE FONTES PEREIRA DE MELLO.

"As witness,—G. C. X. DE BRITO.

"J. S. NEALL."

"£100 5 per cent., with coupons unconverted, £114 19*s.* 6*d.*, with dividends for three years, or 9 per cent. on £14 19*s.* 6*d.* due in cash; and deferred bonds, £4 10*s.* 7*d.* per cent., with three years' difference interest short paid, £6; together, £10 10*s.* 7*d.* deferred 3 per cent. from 1863. Also a certificate for 1 per cent. additional out of surplus revenues.

"£100 5 per cent., without overdue coupons, £108 19*s.* 6*d.*, with dividends for three years, or 9 per cent. on £8 19*s.* 6*d.* due in cash; and deferred bonds, £4 10*s.* per cent., with three years' difference interest short paid, or £6; together, £10 10*s.* deferred 3 per cent. from 1863. Also a certificate for 1 per cent. as above.

"£100 4 per cent., with coupons unconverted, £106, with dividends for three years, or 9 per cent. on £6 due in cash; and deferred bonds, £4 10*s.* 7*d.* per cent., with three years' difference of interest short paid, or £3; together £7 10*s.* 7*d.* deferred 3 per cent. from 1863. Also a certificate as above.

"£100 4 per cent., without overdue coupons, £100; and deferred bonds as above; together £10 10*s.* per cent.; and certificate of 1 per cent. as above.

"100 debentures, June emission, £214 18*s.* 4*d.*; deferred 3 per cent. £6 0*s.* 7*d.*, and £6 19*s.* 4½*d.* difference between 3½*d.* per cent. per day and 3 per cent. paid; together £12 19*s.* 11½*d.*; with three years' dividends, or 9 per cent. due in cash on £14 18*s.* 4*d.*; and the other emissions in the same ratio.

"Resolved,—That the agreement, dated the 13th of December, 1855, between Mr. Thornton, chairman of the Portuguese Bondholders' Committee, and his Excellency Senor Fontes, the Finance Minister of Portugal, and now read at this meeting, be approved; and on the same being ratified by the Cortes, and carried into effect, the Committee of the Stock Exchange be requested to give quotation to Portuguese Securities."

A law was passed by the Cortes, confirmatory of the above agreement, on the 26th of July in the same year, when the following notice by the Portuguese financial agent in London was issued:—

CONVERSION OF THE PORTUGUESE EXTERNAL DEBT.

A law having been passed by the Cortes, on the 26th July last, confirming the agreement entered into in London with the Portuguese bondholders on the 13th December, 1855, the undersigned, in compliance with instructions from the Portuguese Government, gives notice, that the conversion of the Portuguese Bonds, &c., will re-open on the 27th of August, and continue after that day every Tuesday and Friday, between 11 and 2 o'clock, till further notice.

The following are the sums which the holders of every £100 present Stock will be entitled to receive in New Stock and Cash, including the capitalization of the four arrear dividends due in 1851 and 1852, viz.:—

	Active Stock.			Deferred Stock.			Cash.		
	£	s.	d.	£	s.	d.	£	s.	d.
Five per cent. Bonds of 1841	114	19	6	10	10	7	1	13	2
Four „ „ 1845	106	0	0	7	10	7	0	14	4
Five „ Old Bonds, 1833	130	17	9	12	5	4	1	10	11
Three „ „ 1835	78	5	2	7	6	8	0	18	6
Debentures, January emission.....	214	8	10	6	13	10	3	2	9
Ditto June „	214	18	1	6	0	7	3	3	8
Ditto July „	214	9	1	6	0	7	3	2	9
Ditto December „	214	17	10	6	13	10	3	3	8
Capitalization Certificates of 1851 ..	100	0	0	0	10	0	10	10	0
Three per cent. Bonds, 1848	101	10	0	0	0	1	0	3	4

A certificate for the eventual interest of 1 per cent. per annum will be issued with every new Three per cent. Bond.

Where the capitalization of the arrear dividends has already taken place, a corresponding deduction will be made in the stock and cash.

The advantages conceded by the said law, in addition to the terms of the decree of the 18th December, 1852, apply to the present holders of Three per cent. Bonds of 1853, conformably to article 1st. § sole, and article 2nd of said law.

Those parties who still hold the same Bonds they received from the Agency will be placed on the same footing as those who now convert, upon making a claim according to the forms supplied by the Agency; and to those not so circumstanced will be issued £3 in Deferred Stock for every £100 Bond they hold, besides the certificate for 1 per cent. eventual interest, to which all holders of New Three per cent. Bonds are entitled without distinction.

Notice will be given when the Agency is prepared to receive the New Three per cent. Bonds, which must be listed on the forms to be had on application at the Agency.

G. C. X de Brito, Financial Agent.

Finsbury-chambers, August 25th, 1856.

The financial condition of Portugal has for a number of years been very unsatisfactory, owing to the want of good faith in its Government. By the budget for 1856-7 the receipts are given at 12,514,364 milreis* or £3,024,000, and the expenditure at 13,340,774 milreis, or about £3,224,000, leaving a deficit of about £24,000. Independently of the external debt Portugal has an internal debt amounting to about £10,600,000, making her total indebtedness about £20,000,000. The British exports to Portugal in 1856 were £1,455,754.

N.B. The Editor of the *Financial Register*, being desirous of stating correctly the result of this change in the Portuguese Debt, made several applications to the Financial Agent, but receiving no reply up to the time of going to press, the information cannot be given.

* Estimated at 58*d.* per milrea as the par value.

PRUSSIA.

Although Prussia does not come into the category of States whose securities are quoted in the London Official List, yet she occupies too important a position in Europe to be passed over, and though she has not contracted a very large amount of public debt in proportion to her territories, it has increased much more rapidly than some, as shewn by the following statement :—

	Debt.	Annual Interest.
	£	£
1850	23,402,872	732,873
1851	27,392,832	914,391
1852	28,416,130	892,106
1853	32,878,496	1,077,629
1854	32,680,675	1,070,088
1855	34,165,293	1,143,065

The debt, as it stood in 1855, was composed as follows :—

	Thalers*.	Rate of Interest.
Consolidated Stock	99,641,900	3½ per cent.
Voluntary Loans	9,224,350	4½ "
Loan of 1850	17,224,800	4½ "
Ditto of 1852	15,496,000	4½ "
Ditto of 1853	4,946,500	4 "
Ditto of 1854	15,000,000	4½ "
Securities for officers of trust under Government, and Newspapers	6,940,000	4 "
Loan of Maritime Commerce, Institute	2,359,938	5 "
Capital of Widows' Fund (Military)	890,400	4 "
Ditto of Civil Officers	183,000	5 "
Provincial Debts	6,112,995	1 to 3½ "
Railway Bonds	18,906,388	2 to 4 "
Treasury Bills (without interest)	30,842,347	
Total	227,768,618	
	or £34,165,293	

Prussia, in its commercial position, stands at the head of the German Union (Zollverein), and from a total revenue of about 20,322,000 thalers in Customs' duties, receives on an average about 11,500,000 thalers, or £1,725,000 as its proportion. The Budget for 1856 gives the revenue at 118,864,000 thalers, or £17,829,600, and the ordinary expenditure at 113,308,000 thalers, or £16,996,200; but the extraordinary expenditure brings it nearly to the total receipts. The value of exports from Great Britain in 1856 was £933,715.

* The thaler is equal to about 3*s*.

RUSSIA.

There are two Russian loans negotiated in the London market and inserted in the official list, namely the *Five per Cent.* and the *Four-and-a-Half per Cent. Loans.* The first was contracted in 1822 with Messrs. Rothschild for £3,500,000, at 81 per cent., in bonds bearing interest at the rate of 5 per cent. per annum; these bonds were issued in sums of 720 silver roubles each (£111); 968 roubles (£148); 3,360 roubles (£518); and 6,720 roubles (£1,036); with a sinking fund of 1 per cent. per annum; the exchange is fixed at 3*s.* 1*d.* per silver rouble in London, or the dividends are payable at St. Petersburgh in silver roubles.

The Four-and-a-Half per Cent. Loan was contracted with Messrs. Baring Brothers, in 1850, for £5,500,000, at 93 per cent., in bonds of £100 to £1,000 each, bearing interest at the rate of 4½ per cent. per annum, with a sinking fund of 2 per cent. per annum. The dividends on the above loans are paid punctually when due by the agents for the Russian Government. The following were the conditions on which the *Four-and-a-Half per Cent. Loan* was contracted :—

TO THE MINISTER OF FINANCE.

"To meet the expenses required for the completion of the railroad from St. Petersburgh to Moscow we have judged proper to contract a further foreign loan, which we order to be opened by subscription to the extent of £5,500,000 sterling, on the following conditions :—

"1. The bonds of the Imperial Commission of the Sinking Fund *(Inscriptions)* issued for this loan shall be inscribed in the ledger of the public debt of Russia, and issued to bearer for a sum of £100 sterling at least, or of £1,000 sterling, at most, each.

"2. These bonds will bear an annual interest of 4½ per cent., to be reckoned from the 20th of December, 1849 (1st of January, 1850). To each bond will be annexed twenty dividend warrants. On presentation of these dividend warrants in London at their maturities of the 19th of June (1st of July), and of the 20th December (1st of January), the interest for the preceding half-year will be paid. At the expiration of the first ten years fresh coupons will be delivered for such bonds as shall still be in circulation.

"3. The reimbursement of this loan will commence on the 20th of December, 1851 (1st of January, 1852), and for this purpose a special fund will be assigned, making each year 2 per cent. of the nominal capital. This sinking fund will be applied to the reimbursement of the bonds, which will take place in London and at par. For this purpose the bonds of this loan will be divided into 550 series of £10,000 sterling each.

"The bonds belonging to a series, which will be drawn in the annual lotteries, must be delivered for receipt of the principal, with the remaining dividend warrants, that is to say, with those of which the payment shall not be due.

"4. The arrangement for the issue of this loan will be intrusted to the house of our banker, Baron Stieglitz, who will act in this case in conformity with your instructions.

"5. The account of the sums derived from this loan will be kept (as for the former loans contracted for the construction of the above-mentioned railroad) distinct from all other State revenues and expenditure.

"*St. Petersburgh, December* 9, 1849. "NICHOLAS."

Since the above loans were contracted, Russia has augmented her public debt by two additional loans to meet the expenses attending the war in the Crimea; but as all negotiations in Russian securities were prohibited in the United Kingdom while the war was carried on, by a special Act of Parlia-

ment, as well as on the French Bourse, no part of these loans was taken in the two countries. These loans were for 50,000,000 roubles each, or about £7,500,000, making the total about £15,000,000. The following were the conditions on which these two loans were contracted:—

LOAN OF 50,000,000 SILVER ROUBLES, 1854.

"To reinforce, under present circumstances, the funds of the treasury of the empire, we have authorized you, in conformity with your proposal, to conclude through our banker, the Councillor of State, Baron Stieglitz, at St. Petersburgh, a loan of 50,000,000 of silver roubles on conditions conformed by us, and we order you consequently to make the following arrangements:—

"1. This loan shall be inscribed on the great book of the public debt of Russia, under the title of Fifth Five per Cent. Loan.

"2. There shall be delivered for this loan notes of the imperial commission of inscriptions for the respective sums of 500, 1,000, 2,000, 3,000, 4,000, and 5,000 silver roubles.

"3. These inscriptions shall bear a yearly interest of 5 per cent., commencing with the 1st April of this year. To each inscription shall be attached twenty coupons, upon the presentation of which the dividend falling due will be paid at the corresponding periods.

"4. The payment of this dividend shall be made at St. Petersburgh, at the Commission of the sinking fund, on each half year falling due, from the 1st April till the 1st June, and from the 1st October till the 1st December.

"5. At the expiration of the first ten years of the loan, new coupons shall be delivered for the inscriptions then in circulation.

6. The amortisation of this loan shall commence in 1857, and for this purpose shall be assigned a special fund, which shall not be susceptible of being confounded with other loans, and which shall amount annually to 2 per cent. on the nominal capital of the loan. The amortisation funds accruing from the interest, which will become disposable as the redemption of the inscription proceeds, shall be employed to purchase inscriptions in the market, so long as the price does not exceed their nominal value, i.e. par.

"After twenty years, i.e. commencing with 1874, the Government reserves to itself the right of paying off the inscriptions of this loan, which shall then be in circulation, at the rate of their nominal value.

(Signed) "NICOLAI.

"*Peterhoff, June* 8, 1854."

LOAN OF 50,000,000 SILVER ROUBLES, 1855.

"To provide for the extraordinary expenses which actual circumstances impose upon the treasury of the empire, we have authorised you, conformably to your proposition, to conclude, through the medium of the commercial house of our banker, Councillor Baron Stieglitz, of St. Petersburgh, a loan of 50,000,000 of silver roubles, on the conditions confirmed by us, and we order you consequently to make the following arrangements:—

"1. This loan is to be inscribed on the ledger *(grand livre)* of the public debt of Russia as the Sixth Loan, at 5 per cent.

"2. For this loan notes shall be issued of the Imperial Commission of the Sinking Fund *(Inscriptions)* to the bearer, each note to be for 500 silver roubles.

"3. This scrip will bear an annual interest of 5 per cent., dating from the 1st of October of the present year. To each note twenty coupons will be attached, on the presentation of which the interest due will be paid to the corresponding time.

"4. The payment of this interest will be made for each half-year due, from the 1st April to the 1st June, and from the 1st October to the 1st December, and there will be paid for each coupon at St. Petersburgh, by the Commission of the Sinking Fund, 12 roubles 50 copecs silver, or else through the medium of the bankers, Stieglitz & Co., 23 florins 60 cents of the Netherlands, or 26 marks 10 schillings 11 pfennings of the Hamburg Bank.

"5. On the expiration of the first ten years of the loan, new coupons will be issued for the scrip then in circulation:

The sinking *(amortissement)* of this loan will commence in 1858, and for this object a special fund will be assigned, totally distinct from the other loans, and which will

form each year 2 per cent. of the nominal capital of the loan. This Sinking Fund, which will increase from the interests becoming disposable by the redemption of scrip, will be employed to buy up the scrip at the current rate *(au cours)* as long as it does not rise above its nominal value, that is to say, above par. After twenty years, namely, dating from 1875, the Government reserves to itself the right of paying the scrip of this loan which may then be in circulation at the rate of its nominal value.

[The original is signed by the proper hand of His Majesty the Emperor.]

"*St. Petersburgh, Nov.* 26, 1855. "ALEXANDER.

"Translation approved.

"NESSELRODE, Chancellor of the Empire."

The public debt of Russia, when its resources are taken into consideration, is comparatively small, being far below many of the smaller States of Europe. The following statement shows the total amount, from 1850 to 1853, on the 1st of January in each year, exclusive of paper money :—

	Silver Roubles*		£
1850	336,219,492	or	50,433,000
1851	386,309,693	or	57,947,000
1852	400,667,799	or	60,100,000
1853	401,552,111	or	60,233,000

The last war has added materially to the above amounts. In 1853 the debt of the Empire was as follows:—

	Silver Roubles.
Old and foreign debt	57,149,000
Terminable debt	110,867,000
Inscriptions	258,182,000
Bills of credit bearing interest	51,000,000
Paper money	311,375,500
Total	788,573,500
	or £118,286,000

In 1854 and 1855 two loans of 50,000,000 silver roubles were contracted, besides the series of bills of credit issued, making the total debt, exclusive of bills of credit in circulation (which amounted to 509,181,000 roubles), 533,274,000 roubles, or about £80,000,000, at the end of 1855. The published information respecting the finances of Russia will not admit of any definite account of its financial position.

After the war had commenced in 1854 the following remarks appeared in the official journal of Paris† relative to the credit institutions of Russia:—

"1. The reimbursement of what are called credit notes, payable on presentation, circulating without interest, guaranteed by the reserve of precious metals deposited in the fortress of St. Petersburgh, and which may be considered as a kind of paper money.

"2. The reimbursement of what are called series bills, issued successively according to the necessities of the Treasury, payable at eight years' date, and producing during that interval an interest of 4¾ per cent.

"3. The guarantee given by the Government to all establishments of public credit, such as the Lombards of Moscow and St. Petersburgh, the Loan Banks and Commercial Banks

* The rouble is equal to about 36*d.* sterling.

† *Moniteur-Universel*, June 4th, 1854.

of St. Petersburgh, Moscow, Riga, Odessa, Kharkoff, and other places, a guarantee which establishes a complete joint responsibility between the credit of those establishments and that of the State.

"The service of the debt in perpetual *rentes* constitutes an insignificant charge for the Treasury, as the capital of that debt never reaches a higher sum than 223,000,000 of silver roubles (892,000,000f.); but the importance, and particularly the nature of other debts, appears to create for Russian finances a certain danger under existing circumstances.

"Thus the issue of credit bills amounted on the 13th January, 1853, to 311,000,000 of silver roubles (1,244 millions of francs), the reimbursement of which was guaranteed by a deposit in the fortress of 146,000,000 of roubles (584,000,000 of francs), which is a sufficient proportion. In March, 1854, this metallic reserve was only 116,000,000 of roubles (464,000,000 of francs), and since that period it must have been reduced; but it is difficult to determine the amount of that diminution, as well as the increase which may have taken place during the last eighteen months in the circulation of credit bills.

"The series bills, a kind of treasury bills, are issued by series of 3,000,000 of silver roubles. On the 1st January, 1853, there were nineteen series of them in circulation, or 57,000,000 of roubles (228,000,000 of francs). Since that date there have been issued eight fresh series, which, added to the previous ones, make a total sum of 81,000,000 of roubles (314,000,000 of francs), under the form of bills reimbursable at fixed dates. The issue of these bills takes place by public ukases, whilst that of the credit bills increases or diminishes without its being made known by official notification.

"The most perilous eventuality results, without contradiction, from the guarantee given to the establishments of public credit. These important and numerous concerns, which are carried on under the surveillance of the State, receive deposits, the reimbursement of which may be demanded within a short delay. The amount of these deposits was on the 1st of January, 1853, 806,000,000 of silver roubles (3,224 millions of francs). The danger of this state of things arises not only from the mass of capital which may be called for, but in consequence of a great part of this capital being as it were locked up in investments made under the form of loans on landed property, reimbursable by annuities. The Lombards, the mechanism of which has been at work for the last one hundred and twenty-five years in Russia, and takes the place of the Mont de Piété, Savings' Banks, and Crédit Foncier, have thus lent 463,000,000 of silver roubles (1,852 millions of francs), by way of mortgage on 5,200,000 heads of peasants, and on a certain number of houses.

"In order to sum up the financial situation as far as regards the three categories of obligations in question, we will mention—1. That on the 1st of January last year, the credit bills in circulation amounted to 311,000,000 of silver roubles (1,244 millions of francs), guaranteed by a metallic reserve of 146,000,000 of silver roubles (584,000,000 of francs). 2. That the series bills formed at the same date a total of 57,000,000 of silver roubles (228,000,000 of francs). 3. That the deposits confided to the different establishments of public credit constituted an *ensemble* of 806,000,000 of roubles (3,224 millions of francs), the reimbursement of which may be demanded at any time.

"On the other hand the budget of receipts is estimated in Russia at 200,000,000 of roubles (800,000,000 of francs), the half of which is furnished by the Customs' duties and the monopoly of the brandy manufacture."

The revenue of Russia, in 1852, amounted to 275,472,000 roubles, or about £41,320,800; but in 1853 it was reduced to £33,676,200. The cost of the army was about £15,776,000; and the revenue, including the ordinary and extraordinary sums raised in 1854, amounted to upwards of £44,000,000. To what extent the late war has increased the annual burden of the State has not yet been made known, but it must have been very great, when it is considered with what vigour the contest was maintained against the allied forces of France, England, and Turkey in 1854 and 1855.

The commerce of Russia suffered greatly during the late war, especially at Odessa, but up to that period there was a gradual increase, as shewn by the

following statement of the real value of imports and exports, exclusive of specie :—

	Imports. £	Exports. £
1844	12,425,992	14,832,014
1845	13,167,217	14,656,496
1846	13,774,333	16,263,173
1847	14,120,557	23,534,765
1848	14,323,227	13,986,667
1849	14,961,333	14,630,032
1850	14,591,804	14,939,843
1851	16,321,926	15,075,534
1852	16,160,608	17,982,056
1853	16,027,940	23,017,740

The great increase in 1847 and 1853 in the value of the exports arose from the high price of grain in that year, occasioned by deficient harvests in Europe.

The exports and imports of bullion form a very important feature in the commercial operations of Russia, which is shown by the following statement from 1846 to 1852:—

	Imports. £	Exports. £
1846	1,776,083	2,068,145
1847	3,538,273	2,056,448
1848	959,202	2,032,719
1849	862,183	968,576
1850	1,231,199	830,539
1851	1,014,465	2,597,015
1852	1,988,800	1,056,372
1853	4,366,660	1,102,110

The British export trade to Russia was suspended during the late war, but the value in 1856 was £1,595,237.

SARDINIA.

The Sardinian Loan, negociated in London, was contracted in 1851, through Messrs. C. J. Hambro and Son, for 90,000,000 lira,* or about £3,562,500, bearing interest at 5 per cent. per annum, in bonds from £40 to £1,000 each.

The object of this loan was to complete a railway from Genoa to Turin, and from Genoa to Lake Maggiore. A sinking fund of 1 per cent. per annum is to be applied to the redemption of the loan in the *ninth* year from the completion of the contract. The loan is secured on the Government revenues, and the receipts arising from the railways, with the reservation on the part of Government to redeem the whole amount at par at the expiration of twenty years.

* The *lira* is equivalent to about 9½*d*.

The debt of Sardinia is rather heavy for so small a State, a large amount having been incurred in 1848 and 1849 to meet the expenses attending the war against Austria. By the budget of 1856-7, as calculated by Count Cavour, the revenue of Sardinia is given at £5,434,000, and the expenditure at £5,800,000, being a deficiency of about £356,000, The finances of the State are chargeable with the following items:—

	£
Dotations	190,614
Public Debt	1,611,596
Interest on Treasury Bonds	48,000
Railway Shares	16,960
Life Annuities	391,783
Miscellaneous	803,170
Extraordinary	37,450
Total	£3,099,573

In 1855 and 1856 the British Government advanced to Sardinia £2,000,000 out of the Consolidated Fund, at 3 per cent. per annum, to be repaid by a sinking fund of 1 per cent.*

The value of the exports from the United Kingdom to Sardinia in 1856 amounted to £1,143,689.

SPAIN.

There are three descriptions of Spanish Securities quoted on the official list of the Stock Exchange—1. The *Three per Cents.* Consolidated, arising from a capitalization of the arrears of interest due from the 1st of November, 1836, to the 1st of November, 1840, together with the coupons of four drawings of the deferred, which amounted to about £7,105,066: this debt was consolidated by a law passed the 1st of August, 1851, on which the interest is now paid by the Spanish Agency in London.

2. The *Three per Cents. New Deferred*, amounting to about £60,000,000, were formed from the Active 5 per cents., which also entered into the conversion under the law of 1851. The state of this portion of the Spanish debt at that period was as under:—

	£	s.	d.
Active Bonds created	33,322,890	0	0
Deferred Stock then drawn and exchanged for Active	13,215,672	10	0
	46,538,562	10	0
Cancelled as advertized August 7, 1850	4,627,612	10	0
	41,910,950	0	0
10½ years' interest on Active Bonds as above to July 1851	17,494,517	5	0
Total	£59,405,467	5	0

* See Guaranteed Loans, p. 73.

3. The *Spanish Passive* Bonds were formed out of the foreign debt, under the decree of November, 1834, and which amounted, at that time, to about £12,750,000. There was no interest assigned to this portion of the foreign debt in 1851, but it was to be redeemed at the option of the Government under the periodical auctions in connexion with the foreign debt redeemable.

Committees Certificates of Coupon.—These Certificates arose out of the joint protest of the London and Amsterdam Committees against the repudiation of *one-half* the 10½ years' arrears of interest due to the bondholders on the conversion of the Active bonds in 1851; they are held as a register of the sacrifice which the bondholders were unwillingly compelled to make, and under the hope that the Government of Spain may at some future time wipe out the stigma which such an act has left upon its character. The Certificates are quoted in the market at so much per cent., varying from 5 to 6 per cent. or more of the capital which they represent. The following sums were apportioned to the bondholders in London and Amsterdam:—

	£	s.	d.
In London	3,529,370	0	0
In Amsterdam	3,164,167	10	0
In Spain, about	2,000,000	0	0
Total	£8,693,537	10	0

These Certificates are a stumbling block in the way of every Finance Minister; until they are recognized and dealt with it will be impossible for any loan to be raised for the public exchequer, neither can any money be found for any public work which may require the guarantee of Spain, and thus railways, waterworks, gas, telegraphs, or canals, must either remain in abeyance or be created by Spanish capital alone.

The reason is obvious: the Committee of the London Stock Exchange have wisely determined not to permit the quotation of any new securities of any State which is already a defaulter on those which she may have already issued—until such arrangements shall have been made with the creditors as shall be satisfactory to them: and public opinion supports the Committee in this view which has been adopted.

This check is a very wholesome one; nations cannot be sued—they are sovereign powers. In this case the Government of Spain passed a decree, alleging that the State could not afford to pay, and therefore would not pay, any interest on more than *half the arrears*, (thus virtually confiscating the other half,) and if the creditors did not consent to this, they should *lose the whole*. The Spanish Government, in spite of every remonstrance, carried out its own decree.

Bravo Murillo, the then Finance Minister, who, by this proceeding, thoroughly crushed the credit of Spain, fancied that he had got rid of a claim; but the reaction has been fearful; the small sums of money which her Treasury has been able to borrow since then, have been raised at so fearful a sacrifice that this short-sighted minister must have seen his error, and how cruelly Spain has suffered for her dishonesty, and his imprudence.

However, it is not likely to be of much longer duration; it is evident that the exigencies of the Spanish treasury will shortly compel it again to become a borrower, and then these Certificates must not only be "satisfactorily arranged" for, but the terms must be decided upon, and agreed to, before Spain can raise a single dollar in the money-markets of Europe.

While upon the subject of a defaulting State, we may mention that no loan ought to be contracted except upon the principle that a sinking fund accumulative should be attached to it, sufficient to annihilate it within the generation which has contracted it. A legitimate sinking fund upholds the price of the stock in the moment of pressure, and is of more importance even than a high rate of interest.

By an official statement the Public Debt of Spain in 1851 amounted to 5,975,078,251 reals, or about £62,240,000; but the following official statement, issued in 1856, shews that the total liabilities of the State of all kinds amounted to 13,580,466,110 reals, or about £141,000,000; but even this amount has been since greatly exceeded:—

	Reals.*
Three per Cent. stock, payable to bearer, and inscriptions transferable and non-transferable (internal)	2,681,011,544
Ditto given as guarantees for loans and contracts	543,012,000
Ditto Deferred	1,597,289,456
Three per Cents. (foreign)	713,594,910
Ditto Deferred	316,978,400
Consolidated Bonds and other internal stock bearing 4 per cent. interest	35,839,492
Five per Cent. stock and inscriptions, transferable and non-transferable	134,178,119
Redeemable debt, first class	331,201,486
Certificates of current debt at 5 per cent. in paper (Certificaciones de déuda corriente al 5 por 100 á papel)	495,393,238
Non-Consolidated Bonds	90,847,622
Laminas Provisionales	56,857,833
Bonds payable to bearer of Redeemable Debt, second class	265,400,000
Provisional Documents for interest on the Déud Corriente à 5 por 100 á papel	129,552,659
Bonds of all kinds of the Debt without interest (Déuda sin interés)	387,328,678
Inscriptions of Active Debt, 5 per cent.	14,260,000
Inscriptions of English Claims, 5 per cent.	90,000
Ditto in favour of French Treasury	278,268,123
Ditto United States	12,000,000
Foreign Passive Debt	33,504,000
Inscriptions of old Foreign 5 per Cent. Debt	79,852,000
Ditto Foreign 3 per Cents. of 1831	1,786,183
Actions of National Loan of 1821	3,774,000
Certificates of premium on the Laffitte Loan	2,301,300
Deferred Debt of 1831, without interest	122,310,000
Bonds payable to bearer of foreign redeemable debt, second class	970,964,000
Capitals recognized to the owners of lay tithes	115,075,725
Certificates of ditto and interest on the same	39,677,238
Proprietors of quitrents of the order of St. John of Jerusalem	91,400
Interests of the Inscription in favour of the French Treasury	183,760,874
Capitalizable interest at 3 per cent.	38,746,157
Interests of 4 and 5 per Cent. Debt, home and foreign	18,543,623
Interest in paper of the Five per Cent. Current Debt	407,040,748
Bonds issued for personal services (first class)	23,978,124
State paper issued for railway undertakings (acciones de ferro carriles)	192,200,000

* The *real* is estimated at 2½*d.* sterling.

	Reals.
Loans (by decrees and laws) of 1833, 1841, 1850, 1851, and 1852	192,880,000
Treasury Bills, preferable, with interest	12,251,384
Ditto, non-preferable	42,601,670
Ditto, preferable, without interest	149,870
Ditto, non-preferable, without interest	1,068,694
Total	13,580,466,110

The same report states that the total amount of redeemable debt, including first and second class, purchased since the law of 1851 to the end of June, 1855, was 934,935,271 reals, and cost the State 67,101,134 reals. The total indebtedness of Spain is said to be 20,000,000,000 of reals, or more than £208,000,000.

Nothing has since occurred in the management of the Spanish foreign debt, nor in the internal finances of Spain, except the contraction of the loan with M. Mirès, by which £3,000,000 sterling was raised for the Government. The previous attempt to improve the condition of the finances of the country was made in 1855, by M. Bruil, who introduced a financial scheme, extending over the whole of 1856, and the first six months of 1857, estimating the annual receipts at 1,136,365,116 reals, or £11,837,000, and the expenditure at 1,460,965,116 reals, or £15,218,000, being a deficit of £3,381,000, or in round numbers about 340,000,000 reals. The plan proposed by the Finance Minister to cover this deficiency was to increase the tax on immoveable property 34,000,000; to add an additional tax upon consumption and gate duties to the extent of 140,000,000; and to increase the Customs' revenues by altering the tariff by 40,000,000; and of realizing another 74,000,000 from the colonies. This scheme, however, was more plausible on paper than in practice, and ended by the retirement of the minister, who had proposed it to the Cortes in the beginning of 1856, leaving the financial condition of the country in as great a difficulty as ever. The various sources from which the revenue was derived, according to the law of finances of the 17th of April, 1856, were as follow:—

	Reals.
Contributions and taxes direct	540,178,219
Government monopolies of salt, tobacco, &c.	370,024,000
Customs	214,000,000
Lotteries, Mints	118,368,550
State property	26,593,334
Centralized revenues	47,337,824
Ordinary products of the Treasury	1,192,000
Eventual resources of the Treasury	154,202,230
Ordinary receipts for 1856	1,471,896,157
Ditto for the first six months of 1857 ..	730,695,731
Total for eighteen months	2,202,591,888

There is also an extraordinary budget in Spain, which is composed of the product of the sale of the State property and that of the clergy, and of the municipal communes, as well as the negotiation of obligations of the purchasers of these properties, which amounted to 371,789,623 reals. On the other side

there were reimbursed of the forced loan of 230,000,000 reals, voted in 1855, 121,977,127 reals; of the forced loan decreed May 19, 1854, by the minister San Luis, reimbursed 30,812,500; applied to the sinking fund of the Consolidated Debt of the first and second class 109,500,000 reals; and for public works of general interest, and interest on shares issued conformably to the law of the 10th March, 1856, 109,500,000 reals, making the total 371,789,623 reals expenditure.

Spain has recently entered extensively into the credit system adopted in France and Germany, assisted by several of the most eminent capitalists of Europe, amongst whom are the Messrs. Rothschild, and the Messrs. Pereire of Paris.

With regard to the commerce of Spain there is a considerable increase within the last few years, and in its Colonial possessions, especially in Cuba, the export values having risen from £3,758,560 in 1845 to upwards of £6,500,000 in 1855. The total value of the foreign trade of Spain and its Colonies by land and sea, was, according to the official returns of the Spanish Customs for 1854, for importations £8,785,600, and for exportations £10,729,840; making the total £19,515,440. Of this amount the commerce by sea was valued at £18,538,000. In the commerce of Spain with Europe, England and France stand at the head of the export and import trade in the returns for the same year, the former amounting to about £5,000,000, and the latter to about £4,449,720.

The commerce of Spain with various parts is thus divided for 1854:—

	Imports.	Exports.	Total.
	£	£	£
With Europe and Africa ..	4,630,000	7,201,000	11,831,000
America	3,568,000	3,046,000	6,614,000
Asia	271,958	101,000	372,958
	£8,469,958	£10,348,000	£18,817,958

The principal portion of her export trade consists in that of wines, which amounted in the above return to upwards of £3,000,000; the next important items are flour and wheat, which amounted to about £2,080,000. The trade of Cuba, however, has made the most marked progress, the export values having increased as under during the ten years ended 1853:—

	£
1845	3,758,000
1846	4,400,000
1847	5,599,000
1848	5,215,000
1849	4,487,000
1850	5,106,000
1851	6,268,000
1852	5,490,000
1853	6,242,000

The exports of British produce and manufactures to Spain and its dependencies in 1856, including £1,317,062 to Cuba, amounted to £3,887,005.

SWEDEN.

The Swedish Four per Cent. Provincial Loan, amounting to £450,000, was contracted in London, in 1852, with Messrs. Palmer, Mackillop, & Co., at 93 per cent., with a sinking fund of 1 per cent. per annum. This loan was raised for the purpose of effecting provincial improvements, as its title implies; it is guaranteed by the Government and secured by the estates on which the money has been expended, which are rated for that purpose at two-thirds of their value. Sweden is one of the few fortunate States without any public debt to encumber its industry; and it enjoys a large amount of shipping with Europe. The British Consul's report from Gottenburg, for 1855, gives the following progress of the import and export values:—

	1852	1853	1854	1855
	£	£	£	£
Imports	700,000	1,000,000	1,250,000	1,480,000
Exports	600,000	700,000	700,000	1,110,000
Totals	1,300,000	1,700,000	1,950,000	2,590,000

The export value from Great Britain in 1856 was £629,697.

By the budget for 1855-57, the revenue is given at 14,358,000 rix dollars banco,* or £1,196,500; and the expenditure at 12,876,920 rix dollars, or about £1,073,076.

TURKEY.

Turkey, though only recently ranked amongst the indebted States of Europe, has for many years experienced great financial difficulties, more especially from the various indemnities imposed upon her by Russia at different periods; but the depreciation of her money has been another cause of creating others which have yet to be overcome before she can assimilate her commerce to that of other States of greater commercial experience, and rank amongst the more enlightened nations of the world.

There are two Turkish Loans at present negociated upon the London Money Market, the *Six per Cents.* of 1854 and the *Four per Cents. Guaranteed* of 1855. The first loan was originally contracted for £5,000,000, through Sir Isaac Lionel Goldsmid and Messrs. Palmer, Mackillop, & Co., in August, 1854, in bonds of £50 to £1,000, redeemable at par by equal annual instalments of 1 per cent. per annum, the first drawing to take place on the 1st of March, 1856. The security of this loan was on the general revenues of the country and the special assignment of the tribute money of Egypt, 30,000,000 piastres (£282,000), by virtue of a treaty entered into by the Great Powers of Europe in 1841. The Turkish Government reserved to itself the right of paying off the whole or any part of this loan at par at the expiration of fifteen years from the 1st of January, 1855, upon giving six months' previous notice. Only £2,000,000 of this loan was first issued at

* The rix dollar banco is equivalent to 1*s.* 8*d.* sterling.

80 per cent., under a stipulation that the remainder should not be issued at an earlier period than five months from the 17th of August, 1854, below 85 per cent.; but only £1,000,000 was issued under this regulation, and the war against Russia having rendered it necessary that further assistance should be given to Turkey, it was officially announced that no more of this stock would be issued.

The second loan of £5,000,000 was contracted by Messrs. Rothschild at 102⅝ per cent., or at a premium of 2⅝ per cent., in August, 1855, in bonds of £100 to £1,000 each, with a sinking fund of 1 per cent. per annum, together with the interest on so much of the loan as shall be from time to time redeemed, chargeable on the whole revenues of the Ottoman Empire, and especially upon the annual amount of the tribute of Egypt "*which remains over and above the part thereof already appropriated to the* loan of £3,000,000 negociated on the 24th of August, 1854, and, moreover, on the Customs of Smyrna and Syria." The sinking fund to be applied from year to year, commencing the 1st of August, 1859, either in the purchase of the certificates of the loan in the public market, or, at the option of the Ottoman Government, in paying off at par such certificates as shall be drawn by lot, in the presence of the Chief Cashier and Chief Accountant at the Bank of England, on some day in the month of May next immediately preceding the 1st of August in each year, and public notice of the numbers so drawn to be given in the *London Gazette* and in some newspapers circulating in London and Paris. The interest on the certificates drawn, together with the capital, to be payable on the 1st of August next after the drawing takes place, from which date all interest to cease. The Ottoman Government reserves to itself the right of redeeming at par the amount of certificates remaining unredeemed at the expiration of twenty years from the 1st of August, 1859. This loan has been guaranteed by France and England conjointly,* and, therefore, affords a secure investment in the market; and both the loans are actively dealt in on the Stock Exchange.

The financial condition of Turkey, whatever it may have been previous to the late war; has certainly not improved since, though great efforts are being made to render its natural sources of wealth more available. Turkey, like many other States, abounds in fertile lands and mineral wealth, but its territories are occupied by different races that seem almost incapable of being united in social and political views. The revenue previous to the war was about £6,600,000 per annum, and the expenses pretty nearly balanced the income, but this did not include the loans since raised, the interest on which amounts to £380,000 per annum, exclusive of sinking fund.

The commerce of Smyrna, in 1855, exhibits a large total in the imports and exports united. In 1854 the value only amounted to about £2,647,000, but in 1855 it was about £4,809,000, thus divided:—

* See *Guaranteed Loans*, page 72.

	£
With England	1,454,000
„ Austria	734,600
„ France	518,690
„ United States	394,000
„ Holland	116,640
„ Sardinia	34,560
„ Malta	34,400
„ Tuscany	28,000
„ Other States	126,000
	3,440,890
With Turkish Ports	1,368,426
Total	£4,809,316

The export values from Great Britain to Turkey, including the Principalities and Syria and Palestine, in 1856, amounted to £5,316,767.

UNITED STATES OF AMERICA.

The Federal Debt of the United States of America is that portion of liability for which the general Government is responsible. Each State has also an amount of debt for which it is separately responsible; it is, however, not intended to enter upon these debts in detail in the present volume, but to adhere to the general plan pursued with other countries, by simply treating of the debts of the Central Governments, leaving the debts of the separate States for a future volume, it being impossible to do justice to the subject with a limited space.

The total amount of the Federal Debt of the United States of America, up to the 30th of November, 1856, amounted to 30,963,909 dollars, or about £6,192,780. In 1853 the amount was more than double this sum; but 38,691,898 dollars have, since that date, been redeemed. This redemption has been effected by paying 40,916,000 dollars for the *principal* of the debt, and 4,609,882 dollars for premium. The following statement shows the amount of each description of the debt created, the amount redeemed, and the sum remaining due at the date above-mentioned :—

Loans, &c.	Amounts issued. Dollars.	Redeemed up to March 3,53. Dollars.	Redeemed since. Dollars.	Total amount redeemed. Dollars.	Amount outstanding. Dollars.
1842	8,343,886	150,200	4,409,619	4,559,819	3,784,066
1843	7,004,231	3,026,300	3,977,931	7,004,231	.....
1846	4,999,149	3,009	4,676,339	4,679,349	319,800
1847*	28,200,650	2,867,100	13,560,050	16,427,150	11,773,500
1848	16,000,000	315,750	4,979,958	5,295,708	10,704,291
Texan indemnity	5,000,000	.....	1,368,000	1,368,000	3,632,000
Texan indemnity not issued	5,000,000	.....	5,000,000	5,000,000	.....
Debt of corporate cities	1,500,000	780,000	720,000	1,500,000	.....
Funded and unfunded debt	114,118	.....	.....	.....	114,118
Treasury notes	120,861	.....	.....	.....	†112,661
	76,282,897	7,142,359	38,691,898	45,834,258	30,440,438
Increase of Texan debt per act of February 28th, 1855	2,750,000	.....	2,226,529	2,226,529	523,470
	79,032,897	7,142,359	40,918,427	48,060,787	30,963,909

* Increased by funding Treasury notes, 8,200 dollars. Stock erroneously redeemed and subsequently re-issued, 2,400 dollars.

† Reduced by funding.

The revenue of the United States for the year ended June 30th, 1856, amounted to 74,056,899 dollars, or £14,811,379, and the expenditure to 73,185,644 dollars, or £14,637,128, including 12,776,390 dollars on the public debt. The sum in the Treasury July 1st, 1856, was 19,901,325 dollars.

The following is a statement of the revenues and expenditures from 1847 to 1856:—

	Revenue.			Expenditure.
June 30th.	Lands. Dollars.	Customs. Dollars.	Other sources, including Loans. Dollars.	Dollars.
1847....	2,498,355	23,747,864	55,338,168	60,520,851
1848....	1,328,642	31,757,070	56,992,479	60,655,143
1849....	1,688,959	28,346,738	59,796,892	56,386,422
1850....	1,859,894	39,668,686	47,649,388	44,603,718
1851....	2,352,303	49,017,567	52,762,704	48,476,104
1852....	2,043,239	47,339,326	49,893,115	46,712,608
1853....	1,667,084	58,931,865	61,500,102	54,577,061
1854....	8,470,798	64,224,190	73,802,291	75,473,119
1855....	11,497,049	53,025,794	65,351,374	66,398,733
1856....	8,917,644	64,022,863	74,056,899	73,185,644

It may be seen that an immense stride has been taken in the customs revenue since 1852, probably owing to the impetus given to trade and commerce through the gold discoveries, which in that year began to act powerfully upon the commerce of the world, and operated upon the *ad valorem* duties of the American Tariff with particular effect.

The export and import trade of the States during the same period exhibit an equally prosperous condition, as shown in the following statement:—

June 30th.	Merchandize. Dollars.	Specie & Bullion. Dollars.	Total. Dollars.
	IMPORTS.		
1847.....	122,424,349	24,121,289	146,545,638
1848.....	148,638,704	6,360,224	154,998,928
1849.....	141,206,199	6,651,240	147,857,439
1850.....	173,509,526	4,628,792	178,138,318
1851.....	210,771,340	5,453,592	216,224,932
1852.....	207,440,398	5,505,044	212,945,442
1853.....	263,777,265	4,201,382	267,978,647
1854.....	298,874,001	6,906,162	305,780,233
1855.. ...	257,723,148	3,659,812	261,382,960
1856.....	310,432,320	4,207,622	314,639,942
	EXPORTS.		
1847.....	156,740,598	1,907,024	158,646,622
1848.....	138,190,515	15,841,616	154,032,131
1849.....	140,351,172	5,404,648	145,755,820
1850.....	144,375,726	7,522,994	151,898,720
1851.....	183,915,259	29,472,752	218,388,011
1852.....	166,968,190	42,674,135	209,642,325
1853.....	203,489,282	27,486,875	230,452,250
1854.....	235,699,116	41,422,423	278,241,064
1855.....	218,909,603	56,247,343	275,156,846
1856.....	281,219,433	45,745,485	326,964,908

The remarkable changes in the foregoing figures admit of clear and easy explanation. The large amount of bullion imported in 1847 arose from the

great demand for wheat and other grain throughout Europe; but in the following year there was an equally large increase in the *export* of bullion and specie. Since 1852 there has been a remarkable increase both in the home and foreign productions exported: the total value of the former in 1845 was 98,455,000 dollars, and in 1856 it was 266,438,000 dollars, being an increase of 170 per cent. The value of foreign produce exported in 1845 was 7,584,000 dollars, and in 1855 it amounted to 26,151,000 dollars, being an increase of 245 per cent. In 1856 the value of foreign produce was reduced to 14,781,000 dollars; but the export value of home produce was increased from 192,751,000 to 266,438,000 dollars: this admits of an easy solution by a reference to the official returns; for while the value of home produce exported in 1856 was less than the previous year as regards manufactures, having decreased from 35,360,000 dollars to 32,200,000 dollars, the value of cotton rose from 88,143,000 dollars to 128,382,000 dollars, or just four times the value of the manufactures exported.

In 1854 an official return was made to the treasury of the United States of the total amount of stocks then issued by the different States of the Union and the amount held by foreigners, which was as follows:—

		Total Securities. Dollars.	Held by foreigners. Dollars.
	United States Stocks	58,215,317	27,000,000
	State Stock	190,718,221	72,831,507
113	Towns and Cities, Bonds.....	79,352,149	16,462,322
347	Counties, Bonds	13,928,369	5,000,000
985	Banks, Stocks	266,724,955	6,888,996
75	Insurance Companies, Stocks ..	12,829,730	378,172
244	Railroad Companies, Stocks ..	309,893,967	8,244,025
	Ditto Ditto Bonds ..	179,111,552	43,888,752
16	Canal and Navigation Stocks ..	35,888,918	554,900
	Ditto Ditto Bonds ..	22,130,569	1,967,547
15	Miscellaneous, Stocks	16,425,612	802,720
	Ditto Bonds.....	2,358,323	295,773
	Totals..dollars..	1,178,567,882	184,184,714
	Or....	£235,713,576	£36,836,942

An official return was made in 1856, by which the total amount of securities had been increased to 1,407,518,000 dollars, and the proportion held by foreigners to 202,922,000 dollars. The only material change is shewn in railroad securities, which is shewn in the following statement:—

	1854.			1856.		
	No.	Debt. Dollars.	Held by Foreigners. Dollars.	No.	Debt. Dollars.	Held by Foreigners. Dollars.
United States		58,205,517	27,000,000		30,737,129	15,000,000
Railroads	244	309,893,967	8,244,025	360	433,286,946	9,000,000
Ditto Bonds	244	170,111,552	43,888,752		363,137,973	73,871,000
		538,211,034	79,132,777		827,162,048	97,871,000
All others		640,356,848	105,051,937		580,351,846	105,051,937
		1,178,567,882	184,184,714		1,407,518,894	202,922,937
	or	£235,713,576	£36,836,942		£281,503,778	£40,584,587

By this return it will be seen that the Federal Debt has been reduced 28,000,000 dollars, of which 12,000,000 dollars was held by foreigners, reducing the amount thus held to 15,000,000 dollars. In railroad securities there is an increase of 250,000,000 dollars, of which about 43,000,000 dollars have been taken abroad. The miles of railway open for traffic in 1854 were 16,038, and in 1856, 24,476, being an increase of 8,438 miles.

VENEZUELA.

The Active Debt of Venezuela is a part of the Old Columbian Debt, and amounts to £1,888,000, having arrears of interest £740,000, and a Deferred Debt of £1,500,000.

The less said about the finances of this country the better. In 1855, a proposition was made to fund the arrears and to give a permanent 2 per cent. stock for the arrears and the capital of the Active Debt, and for the capital of the Deferred Debt to give 1 per cent. in perpetuity. This was refused. Since then the Committee of the Spanish-American bondholders have been indefatigable to obtain a settlement of this question. The Government sent two Commissioners here to arrange with the Committee; but on Mr. Mocatta, the agent for the Committee of Spanish-American bondholders, proceeding to Caraccas, the Government refused to carry out the agreement of its own Commissioners, as it did once before; but offered the annexed Decree, which, for comparison sake, has been printed in juxta-position with the terms accepted.

The terms accepted by the bondholders and agreed to by the Venezuelan Commissioners in January, 1857, but not ratified by the Government—

From April, 1857, to April, 1862, under a guarantee of 25 per cent. of customs of whatever class.
3 per cent. on Arrears.
3 per cent. on Active.
1 per cent. on Deferred.

From April, 1862, to April, 1867—
4 per cent. on Arrears.
3 per cent. on Active.
1¼ per cent. on Deferred.

From April, 1867—
4 per cent. on Arrears.
4 per cent. on Active.
2 per cent. on Deferred.
To remain fixed.

Pagarees* to be given to the agent of the bondholders.
The Government to pay the expenses.
If any excess, then the surplus to form a sinking fund, and in 1867 a fixed sinking fund of a ¼ per cent. to be created.

The Decree of the Venezuelan Executive, dated the 5th May, 1857, grants—

From April, 1858, to April, 1860, under a guarantee of 20 per cent. of *ordinary* customs' duties,
2 per cent. on Arrears.
2 per cent on Active.
1 per cent. on Deferred.

From April, 1860, to April, 1862—
25 per cent. guarantee.
2½ per cent. on Arrears.
2½ per cent. on Active.
1¼ per cent. on Deferred.

From April, 1862, to April, 1868—
3 per cent. on Arrears.
3 per cent. on Active.
1½ per cent. on Deferred.

The Government, in 1867, undertakes to augment, if possible, the interest.
Pagarees to be given to the agent of the bondholders, and 2½ per cent. commission allowed.

The real points of difference are the per centage given for the guarantee. The Executive allege that the revenues are so mortgaged to pay immediate liabilities created to raise money for the immediate services of the Government, that they can give no more.

* A promissory note payable for customs' duties.

CHAPTER X.

MISCELLANEOUS.

PROPERTY AND INCOME TAX.

THE Property and Income Tax have now become so important an affair in the direct taxation of this country, that the author has introduced a brief sketch of it into this work.

Mr. William Pitt was the first Minister who ventured to impose an income-tax upon this country, under the urgent necessities of war in 1798. There was, however, this difference between the tax of 1798 and the present one, that the former only increased the *assessed* taxes of those who possessed incomes of £60 a-year and upwards: the produce of this tax for the first year was £1,855,996. In 1799 this Act was repealed, and a duty of 10 per cent. was imposed in its place; but incomes below £60 a-year were exempt, and those between £60 and £200 were charged at a reduced rate: this produced £6,046,624 the first year. In 1803, the system of levying a tax upon property and the profits of trade was first introduced, and the return of the total income under the previous Act was abandoned; but the returns were, for the first time, arranged under schedules A, B, C, D, and E, as at present, and rates varying from 3*d.* to 11*d.* in the pound were imposed on all incomes from £60 to £150 a-year; and on all incomes amounting to, or rising above that amount, 5 per cent. The profits of farmers were assumed to be *three-fourths* of the rent paid in England, and *one-half* in Scotland. In 1806, the duty was again raised to 10 per cent., and the exemption of realized property under £60 was repealed and reduced to £50 a-year, and a graduated scale was imposed on incomes from £50 to £150 a-year, but limited to the profits of trades, professions, and offices. The public funds were first brought under the tax in 1806, when the Bank of England was charged with making the assessment and of collecting the tax. Several abatements that were previously allowed were repealed: thus continued the tax until 1816, when it ceased. The following table shews the gross and net amount of tax received in each year under the above enactments:—

	Years.	Gross Receipt. £	s.	d.	Net Receipt. £	s.	d.
*	1798	1,855,996	0	0	1,855,996	0	0
*	1799	6,046,624	0	0	5,894,003	10	9
*	1800	4,888,215	16	11	4,759,317	13	0
*	1801	5,946,590	12	7	5,793,754	17	8
	1802	3,233,567	3	7	3,139,088	2	2
†	1803	360,276	17	5	350,051	14	5
†	1804	3,662,531	6	6	3,565,399	17	2
‡	1805	4,545,845	5	1	4,425,976	2	3
§	1806	6,162,088	9	7	5,999,599	7	3
	1807	10,155,042	4	0	9,887,262	3	10
	1808	11,413,294	0	3	11,134,890	19	9
	1809	12,410,293	3	11	12,156,744	1	1
	1810	13,497,846	1	0	13,222,372	3	6
	1811	13,225,142	10	5	12,955,370	0	10
	1812	13,065,195	9	6	12,797,074	9	9
	1813	14,273,587	6	5	13,967,402	2	6
	1814	14,515,217	13	9	14,219,514	5	1
	1815	14,617,963	19	10	14,318,712	7	1
	1816	14,689,710	4	0	14,381,956	9	3

The Property and Income Tax was not again imposed until 1842, when it was introduced by Sir Robert Peel to cover the deficiencies of the Exchequer in previous years. The rate of duty imposed was *7d.* in the pound, or £2 18*s.* 4*d.* per cent., exempting all incomes under £150 a-year. The tax was only imposed at first for three years; but it has continued to the present time. By this Act the farmers' profits in England were assessed at *half* the rent, and on *one-third* in Scotland. Power was given under this Act to be assessed by Special Commissioners appointed by Government, instead of District Commissioners, who had power to compound with persons for three years, on payment of 5 per cent. additional duty. The number of persons so assessed average about 2,900 a-year, of whom not more than 1,000 compound. The capital thus assessed in the year ended 31st of March, 1856, amounted to £7,055,000, on which the duty was £470,304.

In June, 1853, Mr. Gladstone proposed a modification of the tax, continuing the rate at *7d.* for two years, *6d.* for the next two years, and *5d.* in the pound until the 5th of April, 1860, when it was to cease. The rate on incomes between £100 and £150 was fixed at *5d.* in the pound for the whole period, and the tax was extended for the first time to Ireland. The additional capital thus brought under the tax from £100 to £150 amounted to £14,467,300, producing an additional revenue of £301,320. On the declaration of war against Russia, the Income-Tax was doubled from the 5th of April

* Ten per cent. on incomes of £200 a-year and upwards, and various rates between £60 and £200 a-year.

† One shilling in the pound on £150 a-year and upwards, and from 3*d.* to 11*d.* in the pound between £60 and £200 a-year.

‡ Additional duty of one-fourth on the above rates.

§ Ten per cent. on incomes of £150 and upwards: an abatement made on incomes derived from trades or professions between £50 and £150 a-year.

in that year; and from the 5th of April, 1855, it was further increased 2*d.* in the pound on incomes of £150 a-year and upwards, and 1½*d.* in the pound on those amounting to £100 and not to £150 a-year; making the tax 1*s.* 4*d.* on the former and 11½*d.* on the latter, to remain until one year after the ratification of peace. The tax has been reduced from the 1st of April in the present year to what it stood before the war.

The following statement shews the gross and net receipts of the Property and Income Tax in each year from April, 1842, to 1856:—

Years.	Gross Receipt.			Net Receipt.		
	£	*s.*	*d.*	£	*s.*	*d.*
1842	582,656	17	8	582,037	17	11
1843	5,436,365	13	10	5,387,455	9	11
1844	5,448,380	19	6	5,329,600	15	3
1845	5,306,458	15	5	5,182,649	9	9
1846	5,656,528	5	5	5,543,682	8	8
1847	5,703,790	5	5	5,612,654	8	5
1848	5,591,759	7	5	5,485,164	3	0
1849	5,669,876	9	6	5,564,833	7	3
1850	5,617,275	16	2	5,510,859	17	11
1851	5,538,880	2	2	5,440,349	16	10
1852	5,749,336	1	0	5,652,770	8	10
1853	5,816,990	1	0	5,730,457	18	2
1854	11,031,836	7	4	10,922,266	16	9
1855	15,402,901	14	11	15,159,457	14	4

The financial information to be derived from an investigation of the facts connected with the Property and Income Tax is of the most varied and interesting nature; but the limitation of space will only permit the author to refer to the principal points in the present volume. For instance, under Schedule D, the contrast between the number of persons charged and the amount of property assessed in 1815 is very striking, when placed against the operations of the tax in 1855. In 1815, the number of persons chargeable to the tax with incomes under £100 a-year was 93,080, and the amount assessed £7,215,377; whereas the number assessed under £100 a-year in 1855 was only 20,916, and the amount assessed to the tax was but £1,319,069. When we come to the persons whose incomes amount to £100 and under £150, we find only 27,555 assessed in 1815, and the amount of income £3,415,210; whereas, in 1855, there were 118,793 persons taxed on incomes of this range, amounting in total to £11,761,920. The total number of persons assessed under Schedule D in 1815 was £160,223, and in 1855 it was 256,891. The tabular statements which follow exhibit the extent and variations in the Property and Income Tax in 1815, and 1855, in all the most important particulars.

The following STATEMENT shews the Amount of Duty assessed under each Schedule to the 5th of April, 1856.

Years.	Rates of Duty.	SCHEDULES. A.	B.	C.	D.	E.	Total.	Years.
		£	£	£	£	£	£	
1842	7*d.* in the £ on incomes of £150 and upwards.	2,500,968	334,564	812,983	1,681,852	278,181	5,608,548	1842
1843	Ditto.	2,471,859	328,320	795,702	1,581,540	326,736	5,504,157	1843
1844	Ditto.	2,486,232	323,970	767,896	1,578,769	319,630	5,476,497	1844
1845	Ditto.	2,587,144	331,933	744,630	1,717,423	330,094	5,711,224	1845
1846	Ditto.	2,604,820	324,062	756,602	1,768,420	337,163	5,791,067	1846
1847	Ditto.	2,653,287	321,840	760,939	1,754,363	344,366	5,834,795	1847
1848	Ditto.	2,754,563	332,220	769,735	1,584,609	352,416	5,793,543	1848
1849	Ditto.	2,727,756	326,482	766,002	1,570,866	338,471	5,729,577	1849
1850	Ditto.	2,725,790	320,738	769,524	1,605,974	332,421	5,754,447	1850
1851	Ditto.	2,767,019	310,428	767,645	1,668,749	331,878	5,845,719	1851
1852	Ditto.	2,782,500	305,145	749,209	1,699,970	333,002	5,869,826	1852
1853	5*d.* on incomes from £100 to £150, and 7*d.* on incomes of £150 and upwards, and extended to Ireland.	3,311,284	406,166	799,666	2,236,815	379,108	7,133,039	1853
1854	10*d.* and 1*s.* 2*d.* in the £	6,716,460	805,496	1,527,599	4,488,825	819,710	14,358,090	1854
1855	11½*d.* and 1*s.* 4*d.* in the £	7,755,081	921,873	1,718,560	5,083,153	968,855	16,447,522	1855

The following STATEMENT shews the Amount of Property assessed under Schedule A in 1814:—

	Lands.	Houses.	Tithes.	Manors.	Fines.	Quarries.	Mines.	Iron Works.	General Profits.	Total.
	£	£	£	£	£	£	£	£	£	£
England and Wales.....	34,330,463	14,895,130	2,732,689	71,673	206,731	49,502	616,203	574,726	18,257	53,495,374
Scotland.....	5,075,242	1,364,270	209	....	9,815	20,876	62,584	62,960	47,000	6,642,956
Total	39,405,705	16,259,400	2,732,898	71,673	216,546	70,378	678,787	637,686	65,257	60,138,330

The following STATEMENT shews the Amount of Property assessed under Schedule A, in the Year ended 5th of April, 1856:—

	Land, including Tithe-Rent Charges.	Houses.	Tithes.	Manors	Fines.	Quarries.	Mines.	Iron Works.	Fisheries.	Canals.	Railways.	Gas Works.	Other Property.	Other Profits.	Total.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
England	41,048,091	44,196,369	366,897	186,832	304,959	274,399	2,657,975	915,830	17,699	823,088	8,630,356	594,827	1,793,096	127,757	101,938,175
Scotland	5,872,714	4,239,216	....	....	1,877	45,575	328,089	511,138	44,339	58,758	898,873	114,642	250,596	62,964	12,428,781
Ireland.....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	*11,878,545
Total.....	46,920,805	48,435,585	366,897	186,832	306,836	319,974	2,986,064	1,426,968	62,038	881,846	9,529,229	709,469	2,043,692	190,721	126,245,501

* Net annual value.

The following STATEMENT shews the Amount of Capital assessed under each Schedule to the Income and Property Tax in 1814 and 1855:—

YEAR.	A.	B.	C.	D.	E.	Total.
	£	£	£	£	£	£
1855.....	126,245,501	49,517,546	25,788,400	88,201,371	4,550,527	294,303,345
1814.....	60,138,330	38,396,144	33,407,430*	37,058,989	2,027,846	171,028,739
Increase ..	66,107,171	11,121,402	8,619,030 Decrease.	51,142,382	2,522,681	123,274,606

The above statements exhibit a remarkable increase in the taxable property of the United Kingdom. The increase in England and Wales under Schedule A is nearly fifty millions sterling, or about 100 per cent.; in Scotland the total increase is about 100 per cent. Ireland, not being included in the previous Property-Tax Returns, does not admit of comparison. The most striking increase is in houses, which, in England and Wales, have increased in value nearly 200 per cent., and in Scotland about the same ratio. In England and Wales the land and tithes have increased about 12 per cent., and in Scotland about 15 per cent. The mining property of the kingdom exhibits an increase of about 340 per cent. Railways, forming a new element of national wealth, exceed ten millions, if Ireland be included. The details of the Property-Tax returns of the United Kingdom, we believe, unfold to the financier a volume of wealth such as no other country in the world can exhibit, which, by a wise and judicious distribution, might render the inhabitants of the British Isles the happiest of peoples; but the fact must not be disguised, that amidst this enormous aggregate of national property, there is a mass of poverty and wretchedness to be found in our large cities and towns which is appalling to the senses, and almost surpasses the imagination of those unacquainted with this lamentable truth. But the fact of an increase of upwards of £123,000,000 of realized wealth in a taxable form in less than half a century, ought to be a source of national gratification, and to stimulate legislators to distribute the burden of taxation as justly as possible amongst all classes.

The Editor is indebted to Mr. J. Gritton, of the Bank of England, for the following Tables for calculating the Income-Tax at *7d.* in the £.

* As the official returns do not give the amount of dividends taxed in 1814, this amount is estimated from the tax of 10 per cent. on the sum actually paid in that year, namely, £3,340,743.

TABLE *shewing the INCOME-TAX*

£	£ s. d.	s. d. 2 11	s. d. 5 9	s. d. 8 7	s. d. 11 6	s. d. 14 4	s. d. 17 2	£
		0 0 1	0 0 2	0 0 3	0 0 4	0 0 5	0 0 6	
1	0 0 7	0 0 8	0 0 9	0 0 10	0 0 11	0 1 0	0 1 1	1
2	0 1 2	0 1 3	0 1 4	0 1 5	0 1 6	0 1 7	0 1 8	2
3	0 1 9	0 1 10	0 1 11	0 2 0	0 2 1	0 2 2	0 2 3	3
4	0 2 4	0 2 5	0 2 6	0 2 7	0 2 8	0 2 9	0 2 10	4
5	0 2 11	0 3 0	0 3 1	0 3 2	0 3 3	0 3 4	0 3 5	5
6	0 3 6	0 3 7	0 3 8	0 3 9	0 3 10	0 3 11	0 4 0	6
7	0 4 1	0 4 2	0 4 3	0 4 4	0 4 5	0 4 6	0 4 7	7
8	0 4 8	0 4 9	0 4 10	0 4 11	0 5 0	0 5 1	0 5 2	8
9	0 5 3	0 5 4	0 5 5	0 5 6	0 5 7	0 5 8	0 5 9	9
10	0 5 10	0 5 11	0 6 0	0 6 1	0 6 2	0 6 3	0 6 4	10
11	0 6 5	0 6 6	0 6 7	0 6 8	0 6 9	0 6 10	0 6 11	11
12	0 7 0	0 7 1	0 7 2	0 7 3	0 7 4	0 7 5	0 7 6	12
13	0 7 7	0 7 8	0 7 9	0 7 10	0 7 11	0 8 0	0 8 1	13
14	0 8 2	0 8 3	0 8 4	0 8 5	0 8 6	0 8 7	0 8 8	14
15	0 8 9	0 8 10	0 8 11	0 9 0	0 9 1	0 9 2	0 9 3	15
16	0 9 4	0 9 5	0 9 6	0 9 7	0 9 8	0 9 9	0 9 10	16
17	0 9 11	0 10 0	0 10 1	0 10 2	0 10 3	0 10 4	0 10 5	17
18	0 10 6	0 10 7	0 10 8	0 10 9	0 10 10	0 10 11	9 11 0	18
19	0 11 1	0 11 2	0 11 3	0 11 4	0 11 5	0 11 6	0 11 7	19
20	0 11 8	0 11 9	0 11 10	0 11 11	0 12 0	0 12 1	0 12 2	20
21	0 12 3	0 12 4	0 12 5	0 12 6	0 12 7	0 12 8	0 12 9	21
22	0 12 10	0 12 11	0 13 0	0 13 1	0 13 2	0 13 3	0 13 4	22
23	0 13 5	0 13 6	0 13 7	0 13 8	0 13 9	0 13 10	0 13 11	23
24	0 14 0	0 14 1	0 14 2	0 14 3	0 14 4	0 14 5	0 14 6	24
25	0 14 7	0 14 8	0 14 9	0 14 10	0 14 11	0 15 0	0 15 1	25
26	0 15 2	0 15 3	0 15 4	0 15 5	0 15 6	0 15 7	0 15 8	26
27	0 15 9	0 15 10	0 15 11	0 16 0	0 16 1	0 16 2	0 16 3	27
28	0 16 4	0 16 5	0 16 6	0 16 7	0 16 8	0 16 9	0 16 10	28
29	0 16 11	0 17 0	0 17 1	0 17 2	0 17 3	0 17 4	0 17 5	29
30	0 17 6	0 17 7	0 17 8	0 17 9	0 17 10	0 17 11	0 18 0	30
31	0 18 1	0 18 2	0 18 3	0 18 4	0 18 5	0 18 6	0 18 7	31
32	0 18 8	0 18 9	0 18 10	0 18 11	0 19 0	0 19 1	0 19 2	32
33	0 19 3	0 19 4	0 19 5	0 19 6	0 19 7	0 19 8	0 19 9	33
34	0 19 10	0 19 11	1 0 0	1 0 1	1 0 2	1 0 3	1 0 4	34
35	1 0 5	1 0 6	1 0 7	1 0 8	1 0 9	1 0 10	1 0 11	35
36	1 1 0	1 1 1	1 1 2	1 1 3	1 1 4	1 1 5	1 1 6	36
37	1 1 7	1 1 8	1 1 9	1 1 10	1 1 11	1 2 0	1 2 1	37
38	1 2 2	1 2 3	1 2 4	1 2 5	1 2 6	1 2 7	1 2 8	38
39	1 2 9	1 2 10	1 2 11	1 3 0	1 3 1	1 3 2	1 3 3	39
40	1 3 4	1 3 5	1 3 6	1 3 7	1 3 8	1 3 9	1 3 10	40
41	1 3 11	1 4 0	1 4 1	1 4 2	1 4 3	1 4 4	1 4 5	41
42	1 4 6	1 4 7	1 4 8	1 4 9	1 4 10	1 4 11	1 5 0	42
43	1 5 1	1 5 2	1 5 3	1 5 4	1 5 5	1 5 6	1 5 7	43
44	1 5 8	1 5 9	1 5 10	1 5 11	1 6 0	1 6 1	1 6 2	44
45	1 6 3	1 6 4	1 6 5	1 6 6	1 6 7	1 6 8	1 6 9	45
46	1 6 10	1 6 11	1 7 0	1 7 1	1 7 2	1 7 3	1 7 4	46
47	1 7 5	1 7 6	1 7 7	1 7 8	1 7 9	1 7 10	1 7 11	47
48	1 8 0	1 8 1	1 8 2	1 8 3	1 8 4	1 8 5	1 8 6	48
49	1 8 7	1 8 8	1 8 9	1 8 10	1 8 11	1 9 0	1 9 1	49

£	£	s.	d.
10,000	291	13	4
20,000	583	6	8
30,000	875	0	0
40,000	1,166	13	4
50,000	1,458	6	8
60,000	1,750	0	0
70,000	2,041	13	4
80,000	2,333	6	8
90,000	2,625	0	0
100,000	2,916	13	4
200,000	5,833	6	8
300,000	8,750	0	0
400,000	11,666	13	4
500,000	14,583	6	8
600,000	17,500	0	0

£	£ s. d.	£ 1000	£ 2000	£ 3000
		£ s. d.	£ s. d.	£ s. d.
		29 3 4	58 6 8	87 10 0
100	2 18 4	32 1 8	61 5 0	90 8 4
200	5 16 8	35 0 0	64 3 4	93 6 8
300	8 15 0	37 18 4	67 1 8	96 5 0
400	11 13 4	40 16 8	70 0 0	99 3 4
500	14 11 8	43 15 0	72 18 4	102 1 8
600	17 10 0	46 13 4	75 16 8	105 0 0
700	20 8 4	49 11 8	78 15 0	107 18 4
800	23 6 8	52 10 0	81 13 4	110 16 8
900	26 5 0	55 8 4	84 11 8	113 15 0

*** The large figures are Income, and the

of Seven Pence in the Pound.

£				s. 2	d. 11	s. 5	d. 9	s. 8	d. 7	s. 11	d. 6	s. 14	d. 4	s. 17	d. 2	£
	£	s.	d.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	
50	1	9	2	1	9	1	9	1	9	1	9	1	9	1	9	50
51	1	9	9	1	9	1	9	1	10	1	10	1	10	1	10	51
52	1	10	4	1	10	1	10	1	10	1	10	1	10	1	10	52
53	1	10	11	1	11	1	11	1	11	1	11	1	11	1	11	53
54	1	11	6	1	11	1	11	1	11	1	11	1	11	1	12	54
55	1	12	1	1	12	1	12	1	12	1	12	1	12	1	12	55
56	1	12	8	1	12	1	12	1	12	1	13	1	13	1	13	56
57	1	13	3	1	13	1	13	1	13	1	13	1	13	1	13	57
58	1	13	10	1	13	1	14	1	14	1	14	1	14	1	14	58
59	1	14	5	1	14	1	14	1	14	1	14	1	14	1	14	59
60	1	15	0	1	15	1	15	1	15	1	15	1	15	1	15	60
61	1	15	7	1	15	1	15	1	15	1	15	1	16	1	16	61
62	1	16	2	1	16	1	16	1	16	1	16	1	16	1	16	62
63	1	16	9	1	16	1	16	1	17	1	17	1	17	1	17	63
64	1	17	4	1	17	1	17	1	17	1	17	1	17	1	17	64
65	1	17	11	1	18	1	18	1	18	1	18	1	18	1	18	65
66	1	18	6	1	18	1	18	1	18	1	18	1	18	1	19	66
67	1	19	1	1	19	1	19	1	19	1	19	1	19	1	19	67
68	1	19	8	1	19	1	19	1	19	2	0	2	0	2	0	68
69	2	0	3	2	0	2	0	2	0	2	0	2	0	2	0	69
70	2	0	10	2	0	2	1	2	1	2	1	2	1	2	1	70
71	2	1	5	2	1	2	1	2	1	2	1	2	1	2	1	71
72	2	2	0	2	2	2	2	2	2	2	2	2	2	2	2	72
73	2	2	7	2	2	2	2	2	2	2	2	2	3	2	3	73
74	2	3	2	2	3	2	3	2	3	2	3	2	3	2	3	74
75	2	3	9	2	3	2	3	2	4	2	4	2	4	2	4	75
76	2	4	4	2	4	2	4	2	4	2	4	2	4	2	4	76
77	2	4	11	2	5	2	5	2	5	2	5	2	5	2	5	77
78	2	5	6	2	5	2	5	2	5	2	5	2	5	2	6	78
79	2	6	1	2	6	2	6	2	6	2	6	2	6	2	6	79
80	2	6	8	2	6	2	6	2	6	2	7	2	7	2	7	80
81	2	7	3	2	7	2	7	2	7	2	7	2	7	2	7	81
82	2	7	10	2	7	2	8	2	8	2	8	2	8	2	8	82
83	2	8	5	2	8	2	8	2	8	2	8	2	8	2	8	83
84	2	9	0	2	9	2	9	2	9	2	9	2	9	2	9	84
85	2	9	7	2	9	2	9	2	9	2	9	2	10	2	10	85
86	2	10	2	2	10	2	10	2	10	2	10	2	10	2	10	86
87	2	10	9	2	10	2	10	2	11	2	11	2	11	2	11	87
88	2	11	4	2	11	2	11	2	11	2	11	2	11	2	11	88
89	2	11	11	2	12	2	12	2	12	2	12	2	12	2	12	89
90	2	12	6	2	12	2	12	2	12	2	12	2	12	2	13	90
91	2	13	1	2	13	2	13	2	13	2	13	2	13	2	13	91
92	2	13	8	2	13	2	13	2	13	2	14	2	14	2	14	92
93	2	14	3	2	14	2	14	2	14	2	14	2	14	2	14	93
94	2	14	10	2	14	2	15	2	15	2	15	2	15	2	15	94
95	2	15	5	2	15	2	15	2	15	2	15	2	15	2	15	95
96	2	16	0	2	16	2	16	2	16	2	16	2	16	2	16	96
97	2	16	7	2	16	2	16	2	16	2	16	2	17	2	17	97
98	2	17	2	2	17	2	17	2	17	2	17	2	17	2	17	98
99	2	17	9	2	17	2	17	2	18	2	18	2	18	2	18	99

£ 4000			£ 5000			£ 6000			£ 7000			£ 8000			£ 9000			£
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
116	13	4	145	16	8	175	0	0	204	3	4	233	6	8	262	10	0	
119	11	8	148	15	0	177	18	4	207	1	8	236	5	0	265	8	4	100
122	10	0	151	13	4	180	16	8	210	0	0	239	3	4	268	6	8	200
125	8	4	154	11	8	183	15	0	212	18	4	242	1	8	271	5	0	300
128	6	8	157	10	0	186	13	4	215	16	8	245	0	0	274	3	4	400
131	5	0	160	8	4	189	11	8	218	15	0	247	18	4	277	1	8	500
134	3	4	163	6	8	192	10	0	221	13	4	250	16	8	280	0	0	600
137	1	8	166	5	0	195	8	4	224	11	8	253	15	0	282	18	4	700
140	0	0	169	3	4	198	6	8	227	10	0	256	13	4	285	16	8	800
142	18	4	172	1	8	201	5	0	230	8	4	259	11	8	288	15	0	900

small figures opposite, the corresponding Tax.

TABLE *showing the NET AMOUNT of the Half-Yearly Dividend on any Sum of £3 per Cent. Stock, after deducting the Income Tax of Seven Pence in the Pound.*

(Income Tax is not deducted at the Bank of England from the Dividends of any Sum of £3 per Cent. Stock less than £166 13*s.* 4*d.*)

Stock.		£ 100,000	£ 200,000	£ 300,000	£ 400,000	£ 500,000	£ 600,000	£ 700,000	£ 800,000	£ 900,000	Stock.
£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£
		1456 5 0	2912 10 0	4368 15 0	5825 0 0	7281 5 0	8737 10 0	10,193 15 0	11,650 0 0	13,106 5 0	
10,000	145 12 6	1601 17 6	3058 2 6	4514 7 6	5970 12 6	7426 17 6	8883 2 6	10,339 7 6	11,795 12 6	13,251 17 6	10,000
20,000	291 5 0	1747 10 0	3203 15 0	4660 0 0	6116 5 0	7572 10 0	9028 15 0	10,485 0 0	11,941 5 0	13,397 10 0	20,000
30,000	436 17 6	1893 2 6	3349 7 6	4805 12 6	6261 17 6	7718 2 6	9174 7 6	10,630 12 6	12,086 17 6	13,543 2 6	30,000
40,000	582 10 0	2038 15 0	3495 0 0	4951 5 0	6407 10 0	7863 15 0	9320 0 0	10,776 5 0	12,232 10 0	13,688 15 0	40,000
50,000	728 2 6	2184 7 6	3640 12 6	5096 17 6	6553 2 6	8009 7 6	9465 12 6	10,921 17 6	12,378 2 6	13,834 7 6	50,000
60,000	873 15 0	2330 0 0	3786 5 0	5242 10 0	6698 15 0	8155 0 0	9611 5 0	11,067 10 0	12,523 15 0	13,980 0 0	60,000
70,000	1019 7 6	2475 12 6	3931 17 6	5388 2 6	6844 7 6	8300 12 6	9756 17 6	11,213 2 6	12,669 7 6	14,125 12 6	70,000
80,000	1165 0 0	2621 5 0	4077 10 0	5533 15 0	6990 0 0	8446 5 0	9902 10 0	11,358 15 0	12,815 0 0	14,271 5 0	80,000
90,000	1310 12 6	2766 17 6	4223 2 6	5679 7 6	7135 12 6	8591 17 6	10,048 2 6	11,504 7 6	12,960 12 6	14,416 17 6	90,000

Stock.		£ 1,000	£ 2,000	£ 3,000	£ 4,000	£ 5,000	£ 6,000	£ 7,000	£ 8,000	£ 9,000	Stock.
£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£
		14 11 3	29 2 6	43 13 9	58 5 0	72 16 3	87 7 6	101 18 9	116 10 0	131 1 3	
100	1 9 2	16 0 5	30 11 8	45 2 11	59 14 2	74 5 5	88 16 8	103 7 11	117 19 2	132 10 5	100
200	2 18 3	17 9 6	32 0 9	46 12 0	61 3 3	75 14 6	90 5 9	104 17 0	119 8 3	133 19 6	200
300	4 7 5	18 18 8	33 9 11	48 1 2	62 12 5	77 3 8	91 14 11	106 6 2	120 17 5	135 8 8	300
400	5 16 6	20 7 9	34 19 0	49 10 3	64 1 6	78 12 9	93 4 0	107 15 3	122 6 6	136 17 9	400
500	7 5 8	21 16 11	36 8 2	50 19 5	65 10 8	80 1 11	94 13 2	109 4 5	123 15 8	138 6 11	500
600	8 14 9	23 6 0	37 17 3	52 8 6	66 19 9	81 11 0	96 2 3	110 13 6	125 4 9	139 16 0	600
700	10 3 11	24 15 2	39 6 5	53 17 8	68 8 11	83 0 2	97 11 5	112 2 8	126 13 11	141 5 2	700
800	11 13 0	26 4 3	40 15 6	55 6 9	69 18 0	84 9 3	99 0 6	113 11 9	128 3 0	142 14 3	800
900	13 2 2	27 13 5	42 4 8	56 15 11	71 7 2	85 18 5	100 9 8	115 0 11	129 12 2	144 3 5	900

TABLE *showing the* NET AMOUNT, *&c.—continued.*

STOCK.		£ 10	£ 20	£ 30	£ 40	£ 50	£ 60	£ 70	£ 80	£ 90	STOCK.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
		0 2 11	0 5 10	0 8 9	0 11 8	0 14 7	0 17 6	1 0 5	1 3 4	1 6 3	
0 5 7	0 0 1	0 3 0	0 5 11	0 8 10	0 11 9	0 14 8	0 17 7	1 0 6	1 3 5	1 6 4	0 5 7
0 11 2	0 0 2	0 3 1	0 6 0	0 8 11	0 11 10	0 14 9	0 17 8	1 0 7	1 3 6	1 6 5	0 11 2
0 16 8	0 0 3	0 3 2	0 6 1	0 9 0	0 11 11	0 14 10	0 17 9	1 0 8	1 3 7	1 6 6	0 16 8
1 2 3	0 0 4	0 3 3	0 6 2	0 9 1	0 12 0	0 14 11	0 17 10	1 0 9	1 3 8	1 6 7	1 2 3
1 7 10	0 0 5	0 3 4	0 6 3	0 9 2	0 12 1	0 15 0	0 17 11	1 0 10	1 3 9	1 6 8	1 7 10
1 13 4	0 0 6	0 3 5	0 6 4	0 9 3	0 12 2	0 15 1	0 18 0	1 0 11	1 3 10	1 6 9	1 13 4
1 18 11	0 0 7	0 3 6	0 6 5	0 9 4	0 12 3	0 15 2	0 18 1	1 1 0	1 3 11	1 6 10	1 18 11
2 4 6	0 0 8	0 3 7	0 6 6	0 9 5	0 12 4	0 15 3	0 18 2	1 1 1	1 4 0	1 6 11	2 4 6
2 10 0	0 0 9	0 3 8	0 6 7	0 9 6	0 12 5	0 15 4	0 18 3	1 1 2	1 4 1	1 7 0	2 10 0
2 15 7	0 0 10	0 3 9	0 6 8	0 9 7	0 12 6	0 15 5	0 18 4	1 1 3	1 4 2	1 7 1	2 15 7
3 1 2	0 0 11	0 3 10	0 6 9	0 9 8	0 12 7	0 15 6	0 18 5	1 1 4	1 4 3	1 7 2	3 1 2
3 6 8	0 1 0	0 3 11	0 6 10	0 9 9	0 12 8	0 15 7	0 18 6	1 1 5	1 4 4	1 7 3	3 6 8
3 12 3	0 1 1	0 4 0	0 6 11	0 9 10	0 12 9	0 15 8	0 18 7	1 1 6	1 4 5	1 7 4	3 12 3
3 17 10	0 1 2	0 4 1	0 7 0	0 9 11	0 12 10	0 15 9	0 18 8	1 1 7	1 4 6	1 7 5	3 17 10
4 3 4	0 1 3	0 4 2	0 7 1	0 10 0	0 12 11	0 15 10	0 18 9	1 1 8	1 4 7	1 7 6	4 3 4
4 8 11	0 1 4	0 4 3	0 7 2	0 10 1	0 13 0	0 15 11	0 18 10	1 1 9	1 4 8	1 7 7	4 8 11
4 14 6	0 1 5	0 4 4	0 7 3	0 10 2	0 13 1	0 16 0	0 18 11	1 1 10	1 4 9	1 7 8	4 14 6
5 0 0	0 1 6	0 4 5	0 7 4	0 10 3	0 13 2	0 16 1	0 19 0	1 1 11	1 4 10	1 7 9	5 0 0
5 5 7	0 1 7	0 4 6	0 7 5	0 10 4	0 13 3	0 16 2	0 19 1	1 2 0	1 4 11	1 7 9	5 5 7
5 11 2	0 1 8	0 4 7	0 7 6	0 10 5	0 13 4	0 16 3	0 19 2	1 2 1	1 5 0	1 7 10	5 11 2
5 16 8	0 1 9	0 4 8	0 7 7	0 10 6	0 13 5	0 16 4	0 19 3	1 2 2	1 5 0	1 7 11	5 16 8
6 2 3	0 1 10	0 4 9	0 7 8	0 10 7	0 13 6	0 16 5	0 19 4	1 2 3	1 5 1	1 8 0	6 2 3
6 7 10	0 1 11	0 4 10	0 7 9	0 10 8	0 13 7	0 16 6	0 19 5	1 2 3	1 5 2	1 8 1	6 7 10
6 13 4	0 2 0	0 4 11	0 7 10	0 10 9	0 13 8	0 16 7	0 19 5	1 2 4	1 5 3	1 8 2	6 13 4
6 18 11	0 2 1	0 5 0	0 7 11	0 10 10	0 13 9	0 16 8	0 19 6	1 2 5	1 5 4	1 8 3	6 18 11
7 4 6	0 2 2	0 5 1	0 8 0	0 10 11	0 13 10	0 16 8	0 19 7	1 2 6	1 5 5	1 8 4	7 4 6
7 10 0	0 2 3	0 5 2	0 8 1	0 11 0	0 13 11	0 16 9	0 19 8	1 2 7	1 5 6	1 8 5	7 10 0
7 15 7	0 2 4	0 5 3	0 8 2	0 11 1	0 13 11	0 16 10	0 19 9	1 2 8	1 5 7	1 8 6	7 15 7
8 1 2	0 2 5	0 5 4	0 8 3	0 11 2	0 14 0	0 16 11	0 19 10	1 2 9	1 5 8	1 8 7	8 1 2
8 6 8	0 2 6	0 5 5	0 8 4	0 11 2	0 14 1	0 17 0	0 19 11	1 2 10	1 5 9	1 8 8	8 6 8
8 12 3	0 2 7	0 5 6	0 8 4	0 11 3	0 14 2	0 17 1	1 0 0	1 2 11	1 5 10	1 8 9	8 12 3
8 17 10	0 2 8	0 5 7	0 8 5	0 11 4	0 14 3	0 17 2	1 0 1	1 3 0	1 5 11	1 8 10	8 17 0
9 3 4	0 2 9	0 5 7	0 8 6	0 11 5	0 14 4	0 17 3	1 0 2	1 3 1	1 6 0	1 8 11	3 4
9 8 11	0 2 10	0 5 8	0 8 7	0 11 6	0 14 5	0 17 4	1 0 3	1 3 2	1 6 1	1 9 0	9 8 11
9 14 6	0 2 10	0 5 9	0 8 8	0 11 7	0 14 6	0 17 5	1 0 4	1 3 3	1 6 2	1 9 1	9 14 6

When the hundreds' figure is odd, and the sum in this Table falls within the Double Line, the Net is One Penny less.

FIRE INSURANCE.

By a Report recently published, under the authority of Parliament, some very interesting facts have been collected relating to fire insurance, accompanied by a number of statistical tables, which, however, relate chiefly to England and Wales.

The duty on fire insurance was first imposed in 1694, and for nearly a century it was simply a stamp duty upon the instrument, or what is termed the policy, and extended to all kinds of insurance, but in those days chiefly to marine insurances, insurance on lives and against losses by fire being then almost unknown in this country. The charge for the first four years was only 6*d.*; in 1698 it was raised to 1*s.*; in 1711 to 3*s.* 4*d.*; in 1713 to 3*s.* 10*d.*; in 1756 to 4*s.* 10*d.*; in 1765 to 5*s.*; in 1775 to 6*s.*; in 1776-7 to 11*s.* on policies exceeding £1,000, first by an addition of 1*s.*, and afterwards from the 5th July, 1777, by 5*s.* more; in 1787 these duties were reduced to 3*s.* under £1,000, and to 6*s.* above that amount. In 1804 the duty was reduced to 1*s.* on the policy, whatever the amount insured, and on the property of the United Kingdom it has since undergone no change.

What is known as the *per centage* duty on fire insurance, and which has occasioned a good deal of opposition, was first imposed in 1782 at the rate of 1*s.* 6*d.* per £100 of value insured; in 1787 it was increased to 2*s.* per cent.; in 1804 it was made 2*s.* 6*d.* per cent.; in 1815 it was raised to 3*s.* per cent., at which it has since remained without any change.

In 1833 a very important alteration was made; agricultural insurances were exempt from any duty whatever. We extract from the tables the following interesting facts relative to the sums charged, and the sums exempt from the duty in each year since 1835:—

	Liable to Duty. £		Exempt from Duty. £		Total value Insured. £
1835	483,972,700	+	37,211,603	=	521,183,303
1836	504,132,555	+	41,489,818	=	545,621,818
1837	520,352,005	+	43,095,228	=	563,447,228
1838	537,330,700	+	44,916,981	=	582,247,681
1839	523,374,000	+	47,870,833	=	571,244,833
1840	576,437,300	+	48,669,028	=	625,106,328
1841	590,460,700	+	50,988,016	=	641,448,716
1842	600,660,700	+	52,059,764	=	652,720,464
1843	613,684,000	+	53,086,797	=	666,670,797
1844	610,539,300	+	55,634,205	=	670,173,505
1845	626,961,300	+	54,927,573	=	681,888,872
1846	640,680,000	+	55,858,637	=	696,538,637
1847	620,553,300	+	56,035,561	=	676,588,861
1848	668,758,700	+	58,192,056	=	726,950,756
1849	667,646,000	+	58,873,895	=	726,519,895
1850	679,814,000	+	58,292,239	=	738,106,239
1851	694,930,700	+	57,162,246	=	752,092,946
1852	713,818,000	+	54,935,053	=	768,753,053
1853	732,304,700	+	54,780,249	=	787,084,949
1854	760,897,300	+	56,035,777	=	816,933,077
1855	785,350,600	+	58,902,257	=	844,252,857
1856	802,574,000	+	62,280,976	=	864,859,976

Mr. Coode, in his report to Parliament, considers the proportion of 3*s.* per £100, or $\frac{1}{667}$th part of the value of the property insured, not a correct estimate of the actual value, as a great portion of property is indestructible. Where two-thirds of the value is insured it amounts to precisely one farthing in the pound, or placing the ratio of duty and value to about 1 to 1,000; where interest for one-half as 1 to 1,333; and where at one-third as 1 to 2,000.

The premium paid upon insurance depends upon the nature of the property insured as regards the materials of which it is composed, as well as the risk to which it is exposed. Thus farming implements, agricultural produce and stock, are charged at 4*s.* per £100. Buildings of brick or stone, covered with tiles and slates, are charged 12*s.* per cent., reducible only by very special improvements. Taking the whole range of property insured chargeable with the duty of 3*s.* per £100, the duty is about 100 per cent. on the premium.

There are two modes adopted by insurance offices which have claimed attention: one is the practice which is general throughout the United Kingdom, that of insurance "in gross," and the other is a practice which is common in continental countries, that of insurance "on the average."

By the first plan the owner of the property insured makes his own choice of the portion of property he wishes to insure, by paying a premium on that sum, which entitles him, in case of fire, to the full value of the amount for which he has insured. This is the system universally practised throughout this country.

By the second plan the person who wishes to insure is not allowed to decide for himself what portion of his property is indestructible, and what is not; but whatever sum he insures for is equally applied to both: and in case of fire he is only entitled to a sum which bears such a *proportion* to the whole loss incurred as the sum insured bears to the total value of the property. Thus, if £100 be insured, and a loss of £100 occurs, and it be ascertained by valuation that the entire property was worth £300, the insurer, instead of getting £100, would only obtain £33. The objection to this mode of insurance is that the valuation of the property is not made at the time of the contract for insurance, but after the loss has occurred, a practice extremely objectionable in itself. It is not from habit or prejudice that the "average" system of insurance has been rejected by English insurance companies, but from its being a delusive system, and always uncertain in its application to actual losses where they occur. Those who desire to enter more particularly into this subject may consult Mr. Coode's report with interest.

LIFE INSURANCE.

The subject of *Life Insurance* has of late years assumed so prominent a position amongst Joint Stock Companies, that any work which treats of financial matters would be incomplete without referring to it; at the same time it would be impossible to enter into the numerous details with which it abounds in a single chapter. The subject of *Life Insurance* is comprised under two distinct heads, namely, the scientific and the social. To the first, men of the highest literary attainments have devoted their time and talents; and by the investigation of facts extending over a long period of time, and over the population of countries, the subject may be said to have been reduced

almost to mathematical certainty; at least it may be affirmed that the first principles of Life Insurance are now generally understood and acted upon by all the best and the most secure of these institutions.

When reference is made to the *social* character of these establishments, the enquirer has to enter an entirely different field of investigation, and where mathematical science fails to render any aid. It may be stated, without fear of contradiction, that no branch of the social economy of the country opens a wider field for fraud and deception than that of Life Insurance, simply because there is no protection for the public against the several delinquencies that *may be* committed. When an individual insures his life, he is providing for a contingency which may happen at any time within 5, 10, 15, 20, or any number of years, after having performed the contract for insurance. It is, therefore, of the first importance for him, or her, to know the position of those with whom they enter into contract for the performance of the bargain. In order to secure this necessary information to the public under the provisions of the Joint Stock Act, 7 and 8 Vict., cap. 110, Life Insurance Companies established subsequently to its being passed were required to file their balance-sheets at the office of the Registrar of Joint Stock Companies. Those who have taken the trouble to examine these documents, one of which has recently appeared, must be convinced that the law has been a complete nullity, as far as information and security to the public are concerned. The last return of these companies shows that *fifty* of them have registered no accounts, and *twenty-two* have spent in management £79,576 more than received in premiums. With regard to those companies whose accounts are given in this return, many of them are so unintelligible as to be worthless in conveying any information desirable to be known of their solvency or their operations. A Bill was introduced into Parliament this Session (1857) to remedy this glaring evil in Life Insurance Companies: but, strange to say, in an amended Bill (?) the clause which would have secured to the public the requisite knowledge was expunged by some influence in Parliament. However, as the Bill was ultimately abandoned, it is to be hoped that the Legislature will, in the coming Session, introduce a salutary measure on the subject.

The Author has availed himself of a pamphlet recently published by a gentleman who has entered fully into these accounts.* He has also appended a list of those companies who have registered no accounts, as well as those whose cost of management have exceeded the premiums received:—

LIST OF LIFE ASSURANCE COMPANIES WHICH HAVE NOT REGISTERED ANY ACCOUNTS.

	Date of Registration.
The Accumulative Life Fund and General Assurance Company	March 25, 1854
The Achilles Insurance Company	April 20, 1853
Amazon Life Assurance and Loan Company	Aug. 19, 1853
Ark Life Assurance Society	Jan. 1, 1853
British Exchequer Life Assurance Company	Feb. 26, 1856
The British Industry Life Assurance Company	Nov. 15, 1852
The British Nation Life Assurance Association	March 12, 1855
The British Protector Mutual Life Assurance Company	July 5, 1853

* *Life Assurance*, by Robert Christie, Esq., Manager of the Scottish Equitable Life Assurance Society, Edinburgh.

The Caxton Life Assurance Society	Dec. 31, 1853
The Clarence Life Assurance Society	Nov. 25, 1854
Colonization Assurance Company	March 23, 1850
The Cosmopolitan Life Assurance Company	Nov. 6, 1856
The Counties Union Assurance Company	Feb. 12, 1852
Diadem Life Assurance Company	Sept. 11, 1854
The Durham and Northumberland Life, Fire, Mariners', and General Provident Association	Oct. 16, 1854
The Emperor Life Assurance Society	March 15, 1853
The Empire Assurance Company	Dec. 30, 1854
The Falcon Life Assurance Society	Aug. 4, 1854
The Female Provident Assurance Company	April 3, 1855
General Indemnity Assurance Company	Feb. 23, 1854
The Herald Life Assurance Society	Feb. 21, 1855
Home and Foreign Mutual Assurance Society	May 28, 1852
The Justice Assurance Society	Oct. 16, 1855
The Lombard Advance Fund and Life Assurance Society	Feb. 10, 1853
The London and County Assurance Company	Oct. 17, 1851
The London Equitable Mutual Life Insurance Society	Sept. 17, 1855
London Mercantile Life Assurance Company	April 20, 1854
London and Provincial Provident Society	Aug. 21, 1855
The Marylebone and General Life Assurance Society	April 8, 1854
Mercantile Provident Assurance Association	Aug. 29, 1854
Metropolitan and Provincial Reversionary and Life Interest Company	April 24, 1852
The Midland Counties Insurance Company	March 24, 1855
The National Alliance Assurance Company	Dec. 24, 1855
The National Weekly Life Assurance Company	April 15, 1852
Nelson Sea Voyagers' and General Life Assurance and Investment Company	June 26, 1854
The New Alliance Assurance Company	Oct. 16, 1855
The Observer Life Assurance Society	March 10, 1855
The Parental Endowment Assurance Company	Feb. 24, 1854
Pecuniary Aid and Life Assurance Society	Dec. 4, 1852
Protestant Life and Fire Insurance Association	Oct. 16, 1852
The Provincial Insurance Company	April 19, 1852
The Safety Life Assurance Company	Oct. 23, 1854
St. George Assurance Company	May 5, 1854
Saxon Fire and General Assurance Society	July 9, 1855
The Saxon Life Assurance Society	Aug. 15, 1854
Sceptre of England Assurance Company	Oct. 4, 1852
Security Mutual Life Assurance Society	Dec. 30, 1854
The United Brothers' Assurance Company	Feb. 19, 1856
The United Homœopathic and General Life Assurance Society	March 10, 1855
The Whittington Life Assurance Company	June 19, 1855

Life Assurance Companies whose Cost of Management exceeds the Premiums Received.

Life Assurance Companies.	Premiums received. £	Charges of Management. £
Age	14,073	21,415
Athenæum	4,026	6,304
Brunswick	910	2,880
Cambrian and Universal	7,545	7,558
Catholic Law and General	20,054	25,539
Deposit and General	13,711	32,349
English and Cambrian	9,020	15,512
English and Foreign	3,060	9,276
English and Irish Church and University	3,216	3,833
Etonian and General	1,066	3,269
Hope Mutual	9,299	10,547
Householders and General	1,402	3,646
London and Continental	1,286	5,782
Magnet	3,320	4,088
Manchester and London	1,840	6,688
National Industrial	164	2,593
New National	805	1,704
Oak Mutual	1,693	5,337
Official and General	651	2,372
Peoples Provident	3,359	6,503
Universal Provident	932	947
Wellington Reversionary	2,584	5,390
	104,016	183,592
Deficiency	79,576	
	£183,592	

TITHE COMMUTATION RENT-CHARGES.

As the purchase and sale of tithe-rent charges, made under the 6 and 7 of Will. IV., cap. 71, passed in August, 1836, involve property to a large amount, and the mode of ascertaining their value is essential to persons engaged in such transactions, the Author has given a brief explanation of the manner in which they are calculated.

The basis of estimating tithe-rent charges is fixed upon an average price of wheat, barley, and oats, for the *seven* years ending Christmas, 1836, on the calculation that *one-third* part of such rent-charge had, immediately after the passing of the Act, been invested in *wheat*, one-third in *barley*, and one-third in *oats*: the *quantity* of such kind of grain thus purchased to be the standard for ascertaining the value of tithes in each subsequent year. For instance, suppose the tithe-rent charge of any parish had been fixed at £300 per annum, by the Commissioners under the Act, the sum of £100 would be appropriated to the purchase of wheat, £100 to barley, and £100 to oats, the result of which would be as follows:—

£			s.	d.		Bushels.
100	expended in	wheat at	7	0¼	per bushel	= 284.866
100	,,	in barley at	3	11½	,,	= 505.263
100	,,	in oats at	2	9	,,	= 727.272

The *quantities* thus obtained remain fixed under the Act, to serve as multipliers to be used in all future estimates of tithe-rent charges, in any subsequent year, which can be made clear by illustration. Suppose the value of the same amount of rent-charge had to be made in the year following the passing of the Act, namely in 1837, when the *septennial* averages of corn were as follows:—For wheat 6*s.* 8½*d.*, for barley 3*s.* 11¾*d.*, and for oats 2*s.* 9*d.* per bushel; the fixed quantities before obtained must be multiplied by the price of each kind of grain, taking care not to omit the decimal parts of the bushel, thus:—

	Bushels.		s.	d.		£	s.	d.
Wheat	284.866	×	6	8½	=	95	10	11½.848
Barley	505.263	×	3	11¾	=	100	10	6¼.152
Oats	727.272	×	2	9	=	99	19	11¾.904
						3)296	1	5¾.904
Average value of £100 tithe-rent charge in 1837						£98	13	9¾

The same calculations are made every year, varying with the *septennial* average prices of grain, ending on the Thursday next before Christmas in each year, as given in the *London Gazette*.

The following table shows the annual value of £100 tithe-rent charge from 1837 to 1857 inclusive, with the septennial average prices of grain, from which any amount of tithe-rent charge can be calculated:—

Years of Septennial Averages.	Average prices of grain per bushel for seven years. Wheat		Barley		Oats		Years of Tithe.	Value of £100 in Wheat.			Value of £100 in Barley.			Value of £100 in Oats.			Average value of £100 rent-charge.		
	s.	d.	s.	d.	s.	d.		£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1836.....	6	8½	3	11¾	2	9	1837	95	10	11½	100	10	6	99	19	11¾	98	13	9¾
1837.....	6	6¾	3	11¼	2	8¾	1838	93	9	5	99	9	5½	99	4	10	97	7	11
1838.....	6	6¼	3	9¾	2	8	1839	92	17	6¼	96	6	3½	96	19	4½	95	7	9
1839.....	6	9	3	11¼	2	9¼	1840	96	2	10	99	9	5½	100	15	1½	98	15	9¾
1840.....	6	11¾	4	1	2	10¾	1841	99	8	1½	103	3	1¾	105	6	0½	102	12	5¼
1841.....	7	3¾	4	2	2	11¼	1842	104	3	2¾	105	5	3	106	16	4¾	105	8	2¾
1842.....	7	7½	4	1¼	2	10½	1843	108	12	1	103	13	8	104	10	10¾	105	12	2¾
1843.....	7	7¾	4	0½	2	9½	1844	108	17	11¾	102	2	1	101	10	3½	104	3	5¼
1844.....	7	7	4	1¼	2	9	1845	108	0	2¼	103	13	8	99	19	11¾	103	17	11¼
1845.....	7	4	4	1½	2	9	1846	104	8	11½	104	4	2¼	99	19	11¾	102	17	8¾
1846.....	7	0½	4	0	2	8½	1847	100	5	10½	101	1	0¼	98	9	8¼	99	18	10¼
1847.....	7	1¼	4	1½	2	9¼	1848	101	3	8¼	104	4	2¼	100	15	1½	102	1	0
1848.....	6	10¼	4	1¼	2	8¼	1849	97	12	5½	103	13	8	99	4	10	100	3	7¾
1849.....	6	7½	4	1¼	2	8½	1850	94	7	2¼	103	13	8	98	9	8¼	98	16	10
1850.....	6	5¼	4	0	2	8	1851	91	13	9¾	101	1	0¾	96	19	4½	96	11	5
1851.....	6	2¾	3	10¼	2	7½	1852	88	14	5½	97	7	4½	95	9	1	93	16	11¾
1852.....	6	0½	3	9½	2	6¾	1853	86	1	0¾	95	15	9¼	93	3	7½	91	13	5¾
1853.....	6	0	3	9½	2	6¼	1854	85	9	2¼	95	15	9¼	91	13	3¾	90	19	5¼
1854.....	6	0¾	3	7¾	2	6	1855	86	7	0	92	2	1¼	90	18	2	89	15	9
1855.....	6	6	3	8½	2	7½	1856	92	11	7½	93	13	8	95	9	1	93	18	1½
1856.....	6	11¼	3	11¼	2	9¼	1857	98	16	3	99	9	5½	100	15	1¾	99	13	7½

RAILWAYS.

Railway investments have now become so general throughout the world, that they occupy one of the most prominent features in the finances of States. It is impossible in a work like this to give more than a condensed view of the subject, for to give the details of them even in this country alone would occupy a large volume. Those who wish to be made acquainted with such matters should consult a work recently published by Mr. Mihill Slaughter, the Secretary to the Railways Department of the Stock Exchange, in which every thing necessary to be known of these securities will be found, with every information for negociating them in the customary way of business.

As the management of Railways occupies a special department in the Board of Trade, under the superintendence of Captain Galton, we are indebted to his Report for 1855 for the principal part of the information contained under this head. The financial position of railways in the United Kingdom has not been officially given later than December, 1855. At that date the total amount of capital raised for the construction of railways amounted to £297,583,284, representing an expenditure of £35,940 per mile of railway opened, and including those in the course of construction. Of this sum £75,161,241 was raised by loans; £52,818,026 by preference shares; and the remainder, £169,604,017, by ordinary share capital.

The following is a summary of railway capital of all descriptions entitled to dividend or interest at the close of 1856, and the amount of dividend or interest charged against revenue for the same year, with the average rate per cent. paid.*

	Capital. £	Total amount of Dividend paid. £	Average rate of Dividend per cent. £	s.	d.
English Railways	248,773,671	10,329,193	4	2	2¾
Scotch "	32,270,976	1,190,575	3	13	9¼
Irish "	14,664,090	611,163	4	3	4
	295,708,737	12,130,931	4	2	0½
In 1855	288,705,653	10,962,300	3	15	11¼
Increase in 1856 ..	7,003,084	1,168,631	0	6	1¼

* The Great Northern Railway Company made no dividend on the Ordinary or Preference capital for the half-year ending Dec. 31st, 1856. For Revenue and Expenditure see APPENDIX.

The following Table exhibits the various amounts of capital raised from 1849 to 1855, together with the average rate of interest paid on each description, with the gross and net receipts:—

Year.	Capital paid up on the 31st December in each Year.		Total raised by Shares on the 31st December in each Year.	Loans on the 31st December in each Year.	Total raised by Shares and Loans to the 31st December in each Year.	Average Interest on				Total Amount of Interest on Preference Shares and Loans.	Gross eceipts.	Amount available for Dividend, after deducting 45 per cent. on gross Receipts for working expenses for each year previous to 1855, and 48 per cent. for 1855, and also deducting the interest on Preference Shares and Loans.	Average rate of Dividend on the whole of the ordinary Share Capital invested on Railways.
						Preference Shares.		Loans.					
	Ordinary.	Preference.				Rate.	Amount:	Rate.	Amount.				
	£	£	£	£	£		£		£	£	£	£	
1849	158,560,118	19,852,506	178,412,624	51,335,154	229,747,778	5·63	1,118,270	4.67	2,401,096	3,519,366	11,806,498	2,974,208	1.88
1850	150,022,877	34,740,800	184,763,677	55,507,068	240,270,745	5·61	1,950,741	4.60	2,558,568	4,509,309	13,204,668	2,753,259	1.83
1851	155,060,024	34,494,155	189,554,179	58,686,717	248,240,896	5·26	1,795,874	4.54	2,663,829	4,459,703	14,997,459	3,788,900	2.44
1852	161,400,256	38,700,755	200,101,011	64,064,668	264,165,672	5·21	2,019,743	4.18	2,743,780	4,763,523	15,710,554	3,877,282	2.40
1853	165,054,677	43,527,379	208,582,056	64,742,458	273,324,514	5·002	2,177,347	4.14	2,696,242	4,873,589	18,035,879	5,046,145	3.05
1854	166,030,806	49,377,952	215,408,758	70,660,036	286,068,794	5·01	2,475,188	4.27	3,021,286	5,496,474	20,215,724	5,622,175	3.39
1855	169,604,017	52,818,026	222,422,043	75,161,241	297,583,284	4·92	2,603,382	4.35	3,285,475	5,888,857	21,507,599	5,295,095	3.12

The lines opened for traffic, and the number of persons employed in the United Kingdom, from 1848 to 1855, were as under:—

Years.	Miles opened.	Number of persons employed.
1848	4,252	52,688
1849	5,447	55,968
1850	6,308	60,325
1851	6,698	63,563
1852	7,076	67,601
1853	7,512	80,409
1854	7,803	90,409
1855	8,116	97,952

In 1855 there were 104 railway bills brought before Parliament, proposing 655 miles of railway, but only 73 were passed, authorizing 363 miles; 53 had reference to the construction of works, as follows, viz., 196 miles in England and Wales, 76 miles in Scotland, and 91 miles in Ireland. The following table shows the number of Acts passed, the length of line authorized, and the capital authorized to be raised in each year, from 1846 to 1855:—

Year.	Number of Railway Acts.	Length of Line authorized.	Amount of Money authorized to be raised.
		Miles.	£
1846	270	4,538	132,617,368
1847	190	1,354	39,460,128
1848	85	371	15,274,237
1849	34	16	3,911,331
1850	34	8	4,115,632
1851	61	135	9,553,275
1852	51	244	4,333,834
1853	106	940	15,517,601
1854	71	482	9,211,602
1855	73	363	9,192,038

The total receipts from all sources of traffic in 1855 was for England and Wales £18,363,369, or £2,978 per mile; in Scotland £2,144,398, or £2,003 per mile; and in Ireland £999,832, or £1,060 per mile; making the aggregate receipts for the United Kingdom £21,507,599, or £2,629 per mile, against £20,215,724, or £2,576 per mile in 1854.

The average working expenses of railway companies, per mile of railway opened, increased in England and Wales from £1,352 per mile in 1854, to £1,504 in 1855. In Scotland from £961 in 1854, to £997 in 1855; and in Ireland from £465 in 1854, to £468 in 1855.

The proportion of the working expenses to the gross receipts was 48 per cent. in England and Wales, against 45 per cent. in 1854; 49 per cent. in Scotland against 43 per cent.; and 41 per cent. in Ireland against 46 per cent. in 1854; the general average per cent. being 48 per cent. against 45 per cent. in 1854. But it appears by the following statement that the proportion of working expenses to the receipts on separate railways is far higher than this, and is an important feature in railway economy:—

PROPORTION PER CENT. OF EXPENDITURE TO RECEIPTS ON RAILWAYS.

England.

Birkenhead, Lancashire, and Cheshire Junction	64.48
Blyth and Tyne	70.83
Bristol and Exeter	49.61
Chester and Holyhead	51.03
Cockermouth and Wokington	46.82
Eastern Counties	51.99
East Lancashire	51.52
Furness	52.20
Great Northern	52.88
Great Western	43.85
Ditto Shrewsbury and Birmingham Section	70.21
Ditto Shrewsbury and Chester Section	66.53
Hull and Holderness	58.57
Kendall and Windermere	42.40
Lancashire and Yorkshire	44.88
Lancaster and Carlisle	45.24
Llanelly	75.95
London and Blackwall	64.46
London and North Western	46.43
London and South-Western	44.15
London, Brighton, and South Coast	47.22
Manchester, Sheffield, and Lincolnshire	46.52
Maryport and Carlisle	56.76
Midland	46.96
Monmouthshire	67.41
Newcastle and Carlisle	43.58
Newport, Abergavenny, and Hereford	62.07
North and South Western Junction	21.62
North Eastern	49.13
North London	54.34
North Staffordshire	54.84
Oxford, Worcester, and Wolverhampton	56.66
Preston and Longridge	55.88
St. Helens	46.03
Shropshire Union	71.46
South Devon	59.03
South Eastern	55.93
South Wales	60.81
Louth, Yorkshire	49.82
Stockton and Darlington	52.32
Taff Vale	58.64
Vale of Neath	52.85
Warrington and Stockport	87.86
West Cornwall	63.35
Whitehaven and Furness Junction	69.50
Whitehaven Junction	62.59

Scotland.

Aberdeen and Scottish Midland Junction	51.37
Caledonian	45.69
Caledonian and Dumbartonshire	54.50
Deeside	47.05
Dundee and Arbroath	57.75
Dundee, Perth, and Aberdeen Junction	54.46
Edinburgh and Glasgow	55.36
Edinburgh, Perth, and Dundee	46.09

Glasgow and South Western	42.96
Great North of Scotland	37.64
Monkland	39.23
Morayshire	65.12
North British	66.66
St. Andrew's	62.69
Scottish Central	40.17
Ireland.	
Belfast and Ballymena	41.04
Belfast and County Down	41.61
Cork and Bandon	58.88
Cork, Blackrock and Passage	66.40
Dublin and Belfast Junction	37.98
Dublin and Drogheda	42.22
Dublin and Kingstown	50.23
Dublin and Wicklow	35.89
Dundalk and Enniskillen	48.81
Great Southern and Western	38.35
Irish South Eastern	48.04
Killarney Junction	45.28
Londonderry and Enniskillen	64.91
Midland Great Western	34.01
Newry and Enniskillen	78.47
Newry, Warrenpoint, and Rostrevor	39.36
Ulster	38.28
Waterford and Limerick	59.95
Waterford and Tramore	66.38

The Report states that the increased expenditure "is due to exceptional causes which will probably not continue."

The average fare of passengers for each class has varied as under:—

England and Wales.

	1852	1855
First class	2.11*d.* per mile.	2.09*d.* per mile.
Second class	1.43*d.* ,,	1.43*d.* ,,
Third class	0.87*d.* ,,	0.86*d.* ,,

Scotland.

	1852	1855
First class	1.97*d.* per mile.	1.51*d.* per mile.
Second class	1.51*d.* ,,	1.43*d.* ,,
Third class	0.77*d.* ,,	0.73*d.* ,,

Ireland.

	1852	1855
First class	1.72*d.* per mile.	1.71*d.* per mile.
Second class	1.31*d.* ,,	1.39*d.* ,,
Third class	0.82*d.* ,,	0.89*d.* ,,

MINES.

There is no branch of British industry that exhibits a greater increase in the national wealth than that of mining, if the official returns be taken as an index. The mining property assessed to the property tax in 1814, in the United Kingdom, exclusive of Ireland, amounted to £678,787; in 1855 the value of this property assessed amounted to £2,986,064, being an increase of 340 per cent.! Notwithstanding that this description of wealth has increased so largely, it cannot be said that it occupies a favourable position amongst

investments, but this arises from causes which are easily explained. There is a peculiarity about mining property not so well understood as it might be amongst those who venture to speculate in it, especially under the joint stock principle, in which shareholders, without looking at causes and effects, are too frequently eager for dividends, or returns for outlay, before they can be justified. Mining, therefore, like other joint stock speculations, have, in too many cases, been placed before the public in any way but a correct one. High sounding names, flaming prospectuses, and dazzling profits, have led hundreds into a total loss of all their money embarked in it; and many have been absolutely ruined by pursuing such shadowy influences. To enter successfully into mining transactions, a sufficiency of capital must be associated with as much experience as can possibly be obtained of the nature of the property to be operated upon. But it is not more strange than true, that the more remote the prospects of success may be, the greater the eagerness on the part of the public frequently to rush into these speculations; and hence so many of those foreign schemes that have been set on foot, without the slightest prospect of ever yielding a shilling profit, and in which millions of money have been irretrievably lost within a few years have proved delusive. But with regard to British mines, it is not that there is more deception practised than in other speculations, that they have been held up to public odium, but because persons embark in them who are deficient either in the capital or in the knowledge necessary to ensure success, and sometimes in both.

There is another part of the system connected with mining transactions that is as essential to ensure success as capital and knowledge—the necessity of a clear and intelligible system of audit. The same errors that have been gradually permitted to creep into other joint stock operations have found their way into those of mining; and it may be affirmed with confidence and certainty that a thorough investigation into the mode of keeping the accounts is the surest way, indeed the only one, of discovering what companies are of a spurious character, and what are legitimate.

Persons desirous of investing in mining property should consult those most capable of giving them authentic information. Periodical reviews of the British mines are published quarterly by a gentleman of acknowledged experience in mining property.* By a review to December 31st, 1856, the dividends paid on British mines in that year exceeded the amount paid in 1855 by £61,428; and the English mines those of 1855 by £46,839. The chief increase has been in the lead mines, and then the tin. There were fewer important discoveries of metallic ores in 1856 than in 1855. The total amount of dividends paid by British and Irish mines in 1855 was £388,956; and in 1856, £439,164; being an increase of £50,208.

These amounts may be thus classified:—

	English.	Welsh.	Irish.	Isle of Man.		Totals.
	£	£	£	£	Sch.	£
1856.....	387,339	19,585	18,440	13,800	—	439,164
1855.....	340,500	7,535	29,660	11,144	117	388,956
Increase in 1856 ..	£46,839	£12,050	—	£2,656	—	£50,208
Decrease in ,, ..	—	—	£11,220	—	117	—

* *British Mines* considered as a means of *Investment*, by J. H. Murchison, Esq., F.G.S. London: 117, Bishopsgate.

The following analysis will shew the relative amounts paid by the mines of the different denominations of metals:—

	Copper.	Copper & Tin.	Lead.	Tin.	Totals.
	£	£	£	£	£
1856.....	323,872	14,997	69,991	30,304	439,164
1855.....	324,135	11,314	39,616	13,891	388,956
Increase in 1856 ..	—	£3,683	£30,375	£16,413	£50,208
Decrease in ,, ..	£263	—	—	—	—

For the value of shares and dividends paid, see APPENDIX.

There are two modes of conducting mining transactions in this country, first by a Joint Stock Company, under the Joint Stock Act, in which the shareholders were formerly unlimited in their liability; and, secondly, on what is known as the "Cost Book System," in which the shareholders are not really limited, though they are practically so by their own regulations. Nearly the whole of the mines worked in this country are conducted on this plan. The shareholders meet at brief intervals of two or three months, when a statement of the accounts, and a report of the progress of operations, are made out and presented to the shareholders; at these meetings calls are made, or dividends declared, as the case may require. Where the operations are successfully carried on and sufficient returns are made the expenses are discharged monthly, leaving no liability upon the shareholders. But, generally, an estimate is made for the ensuing two or three months of the probable liabilities and assets, of which a copy is sent to every shareholder, who has power, if he chooses, supposing all his calls paid up, to relinquish his interest in the mine, and he is not liable for any calls or expenses incurred by the company after the month in which he relinquishes his interest, unless bound by any special rule to the contrary; he is also entitled to have the plant and machinery valued, and to be paid, within a certain time, his proportionate share of any surplus remaining at the time of relinquishing his shares. Some of the mines worked upon this system have no written regulations, but there can be no security where this is the case. In Cornwall and Devon there are Courts which exercise jurisdiction over the mines in these two counties, known as the Stannary Courts, a term derived from the Latin word *stannum*, tin. The stannary men, or tin-workers, had great privileges conferred on them in the time of Edward I., but they were abridged and defined in the reign of Edward III., and by the 16 and 17 car. 1, cap. 15; but by the 6th and 7th William IV., cap. 106, and the 2 and 3 Vict., cap. 58, the jurisdiction of the Stannary Courts has been enlarged, and the proceedings better adapted to modern times. The Stannary of Cornwall, as well as that of Devon, was granted by Edward the 3rd to the Black Prince, his son, upon the creation of the Duchy of Cornwall in 1337, and they are perpetually incorporated with that Duchy, and settled by Act of Parliament on the eldest son of the King of England, with the revenues arising therefrom. At this period the revenues were very considerable, derived from the lordship of castles, boroughs, and manors in Cornwall and Devon; there was also a large income arising from the coinage or stamping of tin; but this was abolished by the 1 and 2 Vict., cap. 120.* The average income for the three

* By this Act £16,216 15*s*. is paid annually out of the Consolidated Fund to the trustees of the Prince of Wales as a compensation for the abolition of these duties.

years subsequent to the death of the Black Prince was £2,493 7*s.* 3¼*d.* In 1814 the gross revenue was estimated at £22,000. By a Parliamentary return published the gross revenue in 1853 amounted to £58,017 8*s.* 7½*d.*

The government of the Duchy is vested in the Duke for the time being, who has a Chancellor, an Attorney-General, a Solicitor-General, and other officers, as well as his Court of Exchequer. In all affairs relating to mining the Stannary Courts have special jurisdiction, over which preside the Lord Warden* and the Vice-Warden, the latter of whom holds a Court every month, which is a Court of Equity and a Court of Record. There is a final appeal from the Lord Warden to the Duke and his Council; or, if the Duchy be vacant, to the King in Council. If the Duke succeeds to the English crown, the Duchy vests in his eldest son as heir apparent, if he has one; but if there be none, the Duchy remains with the King: the heir *presumptive* cannot, under any circumstances, be entitled to it.

TRANSACTIONS IN RAILWAY SECURITIES AND SHARES AND STOCKS OF PUBLIC COMPANIES.

It must be understood that the Stock Exchange recognize no bargains in the Securities of public companies unless in accordance with its standing regulations and in connexion with its own members, therefore every transaction must be fulfilled in accordance with those regulations which we have given at length under *Stock Exchange*. But, as there are some technicalities in dealing with the various descriptions of securities, a few observations thereon will not be out of place under separate heads. It is also important to know that where a party is employed to negotiate securities, it is desirable that he should not only be a broker, but a member of the Stock Exchange, both for the advantage and security of the principal.

Railways.—These securities have now become the most extensive that are dealt in upon the Stock Exchange, with the exception of Government Securities; the total amount of capital represented by them, under various forms, amounting to £300,000,000 sterling.

There are several descriptions of Railway Securities in the market.

1. The Original or ordinary share capital.

2. The Preferential shares, which are entitled to the receipt of dividend before any payments are made to the ordinary stock or shareholders.

3. Guaranteed stocks or shares, which are guaranteed by special conditions.

4. Debentures, which are a kind of mortgage bond, bearing a certain rate of interest for a given period.

It is highly necessary, in negotiating any one of these descriptions of securities, to know precisely what are the conditions upon which they are created.

When purchases or sales of railway stock or securities are effected the operations are confided to a broker, to whom an order is sent, containing all the particulars, and any restrictions with respect to price, &c. The broker having executed the order, forwards an account of the bargain to his principal, with particulars as to price, &c., and the time for delivery. In the case of *purchase*,

* The present Lord Warden of these Courts is His Royal Highness Prince Albert.

the principal has to provide the money by the day of settlement; but in the case of *sale*, the certificates must be forwarded to the broker before settling day; and where the calls are not fully paid up, the receipt for the *last* payment must accompany the certificates; in the meantime the transfer deed is prepared and transmitted to the principal for his signature, which must be made in the presence of a witness, who must also affix his residence and occupation: the transfer deed is then returned to the broker, who, in the case of a *sale*, remits the proceeds, or, in the case of a *purchase*, he remits the transfer deed for signature, and the certificates, when received from the railway companies. But the time occupied in registering varies from one to three weeks. The facility with which this is done depends sometimes upon the distance the necessary documents have to be forwarded. The customary time for a seller to deliver his shares, allowed by the Stock Exchange, is ten days. In the transfer of railway shares there are generally the sealed certificate, and the transfer certificate of registration, which the owner should hold until he sells the security. But when the shares are consolidated into *stock*, then a *coupon* only is given instead of a sealed certificate. The stock or shares being duly registered in the purchaser's name, the dividend warrants are forwarded to him half-yearly, the deeds being retained by the company. The books of railways are "shut" periodically the same as at the Bank of England, for from two to three weeks each half-year, during which transfers cannot be registered. It may so happen, through subsequent sales, that the consideration money set forth in a transfer deed may not agree with the sum the *first* seller has to receive; in this case the law requires that the money paid by the *sub-purchaser* shall be inserted in the deed, by which the *ad valorem* duty is regulated. The stamp duty and registration fees are paid by the purchaser, but each party pays his own broker. The charges for buying and selling shares and stock on the London Stock Exchange are as follow:—

Under £5 in value	6*d.* to 1*s.* 3*d.*	per share.
„ £5 and under £20	to 2*s.* 6*d.*	„
„ £20 and under £50	to 5*s.*	„
„ £50 and upwards	10*s.* per cent.	

There is a small fee charged for registration by companies on each transfer of stock, or shares, of a few shillings; and all railway companies require the coupons of stock to be returned at every transfer of a part or all the stock registered in the name of the seller, and fresh ones are granted to the new stockholder.

Railway Debentures.—These securities have the first claim upon the property of the company issuing them, both for principal and interest. These bonds are generally issued for three, five, or seven years, bearing the legal stamp duty and the company's seal, to which are attached interest coupons, which may be cut off and forwarded through a banker to be received. The interest on these securities is payable half-yearly, and the bonds can generally be renewed, if required, by giving a short notice previously to the principal becoming due, stating the terms.

Bonds.—These Securities come under the same regulations as Debentures,

and in their assignment when the principal money secured by the original debenture, having paid the legal stamp duty, do not exceed £1,400, the duty is charged the same as on the bond; but exceeding that sum £1 15*s*.

Guaranteed Railway Stocks.—These Stocks stand next in security to the *Debentures*, and are regarded as amongst the best class of railway investments; but it is at the same time well to have a clear knowledge of the terms of the guarantee.

Preferential Shares.—These shares are entitled to a fixed rate of dividend before the dividends are paid on ordinary share capital. An attempt has been recently made by the Great Northern Railway Company to place preferential shares on a different footing with respect to the apportionment of certain frauds committed by one of the company's servants, the company being desirous of apportioning the loss proportionally amongst the preferential shareholders and the ordinary shareholders, by retaining a portion of their dividends as well as those of the original stock, to meet the deficiency, which the former have repudiated, and have obtained a decision in their favour in the Vice-Chancellor's Court before Sir W. P. Wood; but the question, it is said, will not be allowed to remain here. Guaranteed and Preferential Stocks are negotiated the same as ordinary Stocks of Railway Companies.

American Railway Bonds.—These securities are generally in scrip with interest coupons attached to them, and are transferable by delivery, carrying interest from the date of the last coupon *paid*. The brokerage charge is 5*s*. per cent.

French Railway Shares.—These shares, when fully paid up, are in scrip, transferable by delivery, with interest coupons attached, which are negotiable in London at the exchange of the day at any of the foreign money houses. When the shares are *not paid up in full*, transfers, free of stamp duty, are required, which are supplied by the companies and agents in London who transmit them to France for registration. A new law has recently been passed in France on the registration and transfer of shares and bonds which will be found in the *Appendix*. The brokerage is the same as charged on English shares.

Joint Stock Banks.—When a transaction is made in the shares of a Joint Stock Bank a notice of transfer is obtained by the broker from the bank, which is filled up and left with the directors for their approval. When this has been satisfactorily done, the bank prepares the transfer deed, which has to be executed by the buyer and the seller, and afterwards returned to the bank to be registered, for which a small fee is charged. The stamp duty and the transfer fees are paid by the purchaser.

Mines.—There are several modes of transferring Mining Shares—some are transferred in the same way as railway stocks, and others by delivery of scrip; while for some there are special forms used. Transfer of shares on the "*Cost Book Principle*" do not require a stamp.

Docks, Bridges, Water Works, Gas Companies, Canals, and Insurance Companies.—The securities in these companies are transferred by forms prepared sometimes by the companies themselves, for which a fee is charged. The stamp duty is the same as charged for railway shares, which, with the transfer fees, are paid by the buyer.

Transactions in Foreign Stock.

The Foreign Stocks negotiated in the Stock Exchange are, for the most part, in bonds with coupons attached, and are transferable free of stamp duty: when these coupons are all cut off a new sheet is supplied to the holder at a small charge per sheet. The brokerage on foreign stock is 2*s.* 6*d.* per cent., and the charge of one penny is generally made upon each interest coupon. Foreign Stocks are dealt in for "money" or "account," the same as English, in which the transactions are settled once a fortnight.

Lists of Shares.

It has not been considered desirable to insert here the various Lists of Railway and other securities which are negotiated in the London market, as they are continually undergoing some changes, and they appear in all the leading daily journals, as well as in the lists which are published by a number of respectable brokers.

The following is a table of the Stamp Duty on Bonds and Conveyances:—

CONVEYANCES.

Shares, Stock, &c.

Where the Consideration-money shall not exceed

£	£	s.	d.	£	£	s.	d.
25	0	2	6	550	2	15	0
50	0	5	0	600	3	0	0
75	0	7	6	700	3	10	0
100	0	10	0	800	4	0	0
125	0	12	6	900	4	10	0
150	0	15	0	1,000	5	0	0
175	0	17	6	1,100	5	10	0
200	1	0	0	1,200	6	0	0
225	1	2	6	1,300	6	10	0
250	1	5	0	1,400	7	0	0
275	1	7	6	1,500	7	10	0
300	1	10	0	1,600	8	0	0
350	1	15	0	1,700	8	10	0
400	2	0	0	1,800	9	0	0
450	2	5	0	1,900	9	10	0
500	2	10	0	2,000	10	0	0

And so on at the rate of 10*s.* for every further £100, and also for any fractional part of £100.

ASSIGNMENTS.

Bonds and Mortgages.

Where the principal Money secured by the original Debenture shall not exceed

£	£	s.	d.
50	0	1	3
100	0	2	6
150	0	3	9
200	0	5	0
250	0	6	3
300	0	7	6
400	0	10	0
500	0	12	6
600	0	15	0
700	0	17	6
800	1	0	0
900	1	2	6
1,000	1	5	0
1,100	1	7	6
1,200	1	10	0
1,300	1	12	6
And where the principal Money shall exceed £1,300, the fixed duty of	1	15	0

In the Conveyance of Stocks and Shares, the *ad valorem* duty is calculated upon the aggregate consideration, under 55 Geo. III., cap. 184, schedule 1, which allows a plurality of sellers. The consideration-money set forth in a transfer may differ from that which the first seller will receive, owing to subsequent sales by the original buyer; and the Stamp Act requiring that, in such cases, the consideration-money paid by the sub-purchaser shall be the one inserted in the deed, as regulating the *ad valorem* duty. Several sellers may *sign* even on the *reverse* of a transfer deed; but no fresh conveyance is allowed out of the first page.

When shares are *sold*, the money should be paid the vendor on the day the broker receives the transfer deed.

When shares are *bought* that require a stamped transfer, the money should be lodged with the broker at the middle or end of the month, in time for settling day.

The Stock Exchange allows eleven days for a seller to deliver his shares.

There are two settling days in each month ; one in the middle, the other at the end.

When shares are sold, and the money re-invested in some other stock at *once*, it is not usual to charge a commission on both transactions.

NOMINAL CONSIDERATION.

	£	s.	d.
Transfers of Shares, &c., for a nominal consideration (55 Geo. III., cap. 184)	1	10	0

POWERS OF ATTORNEY.

For the Sale, Transfer, or Receipt of Dividends (all or either), of the Government or Parliamentary Funds	1	1	6
All other Powers (Proxies excepted)	1	10	0

PROXY STAMPS.

7 Vict., cap. 21	0	2	6

A penalty of £50 is incurred by any person signing or voting upon an unstamped proxy.

A proxy cannot be stamped after it is signed, nor be used at any meeting except the one for which it is specially named, or an *adjournment* of the same meeting. Proxies must also be in the hands of the secretary, or some officer of the company, from twenty-four hours to seventy-two hours before the meeting takes place to which they are intended to apply.

Stamps inadvertently spoiled may be sworn off at the stamp office, at Somerset House, by the owners only, on Tuesdays, Thursdays, and Saturdays, between twelve and two ; but the ticket for fresh stamps is only available for one calendar month from the date: these tickets may legally be purchased by vendors of stamps.

Transfers after execution must be stamped within two months from the date; and the office will affix no stamp unless the consideration as well as date be filled in.

By 16 and 17 Vict. cap. 63 (August, 1853), a duty of 1*d.* is chargeable on any scrip certificate which entitles the holder to any share or shares in a Joint Stock Company.

SHARE CERTIFICATES DESTROYED, LOST, OR MISLAID.

In case of new certificates being required to replace those which may have been lost, &c., application must be made to the secretary of the company in the form of a declaration, or by a letter of indemnity, which are generally supplied by the company. The declaration must be made before a Notary Public, or a Commissioner in Chancery for administering oaths.

FOREIGN EXCHANGES.

Foreign Exchanges are the finding of what sum of money of one country is equivalent to a given sum in the money of another.

The price at which this valuation is made is called a *rate* of exchange. A *course* of exchange is a list of these rates at which bills of exchange are negotiated at a given place. When the *fixed* price is in the money of the country, it is said to receive; but when the *variable* price is that money, it is said to give. Thus, London *receives* from Paris a variable number of Francs and Cents for £1 sterling, which is called a *foreign* rate, and *gives* Madrid a variable number of Pence for 1 Duro, which is termed a *sterling* rate. The fixed terms are seldom mentioned in a course of exchange.

In calculating the amount of any foreign exchanges make a statement of a proportional question, placing the sum to be exchanged as the third term of the question, taking care that the second term is always of the same denomination as that required. The following examples will suffice :—

Exchange £250 into Francs, at the rate of 25f. 35c. per £ sterling.

	£		f. c.		£
If	1	———	25.35	———	250?

250

6,337.50 francs.

Exchange 20,280f. into sterling at 25f. 35c. per £ sterling.

	f. c.		£		f.
If	25.35	———	1	———	20,280?

20,280f. ÷ 25·35 = £800 sterling.

Exchange £100 sterling into marks banco of Hamburgh, at 13 marks 10 schillings per £ sterling.

£100 × 13.10 = 1,362 m. 8 sch.

Exchange £400 sterling into reals Spanish, at 48½*d.* per duro or hard dollar.*

	d.		rs.		£
If	48½	———	20	———	400?

192,000 × 20 ÷ 97 = 39,587 reals 21 maravedis.

Arbitrated Pars of Exchange, are calculations made to find the rates produced from coins, bullion, &c., purchased in one country and sold in another.

In making arbitrated rates or pars of exchange, the prices of the two places between which the arbitration is to be made must always be known, and any connecting link that may be requisite in making the statement, in the form of the chain rule. The pars of exchange are always fluctuating, from the fact, that gold is the standard in some countries, and silver that of others; besides, the relative values of the two metals vary in different countries.

* Equivalent to 20 reals.

Example of Calculating Pars of Exchange.

To find the arbitrated Par of Exchange between London and Paris, bar gold in London being 77*s.* 9*d.*, and in Paris 6 per mille premium :—

		20	shillings ?
$77\frac{3}{4}$	—	1	oz. standard.
1	—	31.1002	grammes.
1000	—	4511.30	fr., cts.
1000	—	1006	with premium.

$$\frac{20 \times 1 \times 31.1002 \times 4511.30 \times 1006}{77\frac{3}{4} \times 1 \times 1000 \times 1000.} = 25\text{f. } 36\text{c. the result.}$$

To find the arbitrated par of exchange between London and New York, bar gold in London being 77*s.* 9*d.*, and the mintage rate for coinage of the United States being 232 grains of pure gold for the eagle of 10 United States dollars.

		20*s.* ?
$77\frac{3}{4}$	—	480 gr. st.
12	—	11 fine.
232	—	10 dollars.

$$\frac{20 \times 480 \times 11 \times 10}{77\frac{3}{4} \times 12 \times 232} \text{ dollars.} = 4.87{,}85 \text{ the result.}$$

and $4.87{,}85 \times 90 \div 4 = £109\frac{3}{4}$,
or $9\frac{3}{4}$ per cent. premium.

For further details of the various operations of exchange calculations, and accounts of moneys weights and measures of various countries, see *Tates' Modern Cambist.*

APPENDIX.

THE LONDON JOINT STOCK BANKS.

The following are the latest Balance Sheets of the London Joint Stock Banks :—

LONDON AND WESTMINSTER BANK.

The directors have to report that, after making provision for all bad and doubtful debts, paying the income-tax, and setting apart £2,000 towards the new buildings in Lothbury, Bloomsbury, Temple-bar, and Southwark, the net profits of the last half-year amount to £140,021. Out of this sum the directors have allowed interest at the rate of 5 per cent. upon the rest or surplus fund, and they now declare a dividend to the shareholders at the rate of 6 per cent. per annum, and also a bonus of 6 per cent. upon the capital. After these payments are made there is a balance of £10,271, which is carried forward to the credit of the profit and loss account for the current half-year. The balance of £978 remaining unappropriated from the profits of the year 1856, the directors have placed to the credit of the surplus fund, which, with the addition of £3,750 interest, amounts to £154,728.

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.	£	s.	d.	Cr.	£	s.	d.
To proprietors for paid-up capital	1,000,000	0	0	By Government Stock, Exchequer Bills, Exchequer Bonds, and India Bonds	2,011,282	3	1
To amount due by the bank on deposits, circular notes, &c.	13,913,058	17	3	By other securities, including bills discounted, loans to customers, &c.	12,189,698	1	3
To rest or surplus fund	150,000	0	0	By cash in hand	967,078	1	2
To balance of profit and loss account, 1856	978	6	7				
To net profits of the past half-year	104,021	1	8				
	£15,168,058	5	6		£15,168,058	5	6

PROFIT AND LOSS.

Dr.	£	s.	d.	Cr.	£	s.	d.
To total expenditure of the seven establishments, including rent, taxes, salaries, stationery, &c.	27,871	9	7	By balance of profit and loss account on December 31, 1856	978	6	7
To amount set apart towards the new buildings in Lothbury, Bloomsbury, Southwark, and Temple-bar	2,000	0	0	By gross profits of the last half-year, after paying income-tax, and making provision for all bad and doubtful debts	133,892	11	3
To amount added to rest, or surplus fund, by interest, at 5 per cent.	3,750	0	0				
To transfer to rest, or surplus fund, of balance of unappropriated profits, December 31, 1856	978	6	7				
To payment of the dividend now declared, at the rate of 6 per cent. per annum, for the last half-year on the paid-up capital of £1,000,000	30,000	0	0				
To bonus of 6 per cent. on the capital	60,000	0	0				
To balance of profit and loss account	10,271	1	3				
	£134,870	17	10		£134,870	17	10

LONDON AND WESTMINSTER BANK, *continued*—

REST, OR SURPLUS FUND.

Dr.	£	s.	d.	Cr.	£	s.	d.
Present amount	154,728	6	7	Amount on January 1, 1857	150,000	0	0
				By interest on ditto, at 5 per cent.....	3,750	0	0
				By unappropriated balance of profit and loss account, December 31, 1856	978	6	7
	£154,728	6	7		£154,728	6	7

LONDON JOINT STOCK BANK.

The accounts which the directors now submit to the shareholders show that the net profit of the Bank for the past six months amounts to £76,746 19*s.* 3*d.* This result enables the directors to declare a dividend at the rate of 12½ per cent. per annum, and a bonus of 10*s.* per share, leaving a balance of £9,246 19*s.* 3*d.* for division at the end of the year.

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.	£	s.	d.	Cr.	£	s.	d.
To capital paid up, viz., 60,000 shares, at £10 each	600,000	0	0	By Exchequer Bills and India Bonds	1,002,863	6	8
To amount due by the Bank	10,698,530	1	3	By cash, loans, bills discounted, and other securities	10,559,899	3	5
To amount of "The Guarantee Fund," December 31st, 1856, £165,932 13 10 .... To six months' interest on ditto, at £3 per cent. per annum, £2,488 19 9	168,421	13	7	By building, furniture, &c. in Princes-street, £36,235 ..... By ditto in Pall-mall, £8,000	44,325	0	0
To amount carried to profit and loss account....	140,135	15	3				
	£11,607,087	10	1		£11,607,087	10	1

PROFIT AND LOSS ACCOUNT.

Dr.	£	s.	d.	Cr.	£	s.	d.
To current expenses, proportion of building expenses, directors' remuneration, bad debts, income tax, &c.....	26,069	11	9	By balance brought down..	140,135	15	3
To amount carried to profit and loss new account, being rebate of interest on bills discounted not yet due	37,319	4	3				
To dividend account for the payment of half-a-year's dividend, at the rate of 12½ per cent. per annum, upon £600,000, amount of paid-up capital upon 60,000 shares	37,500	0	0				
To ditto for the payment of a bonus of 10*s.* per share	30,000	0	0				
To amount carried forward to profit and loss new account	9,246	19	3				
	£140,135	15	3		£140,135	15	3

LONDON AND COUNTY BANK.

Your directors have the satisfaction of meeting the proprietors on this occasion, for the purpose of placing before them the accounts and balance sheet pertaining to the six months ending the 30th June last. These accounts have been examined and signed by your auditors; they shew the gross profit for the above-named period, after making provision for bad and doubtful debts, to be £108,475 15*s.*; and the net profit derivable therefrom,—after deducting expenses at the head office and all the branches, interest to customers, and rebate,—£39,104 1*s.* 3*d.*, including the balance brought forward from the previous half-year. Your directors have declared a dividend—similar to that of June last year—of 5 per cent. for the six months, free of income-tax, and have carried forward the sum of £14,145 0*s.* 8*d.* to the next account. Advantage has been taken of the opening presented by the failure of the Old Bank at Hastings, to occupy the ground at the different points in that neighbourhood, where it had agencies, and your directors are glad to report that the general business of the Bank is making satisfactory progress. The dividend will be payable at the head office, or at the branches, on and after Monday, the 17th July.

BALANCE SHEET, 30*th June*, 1857.

Dr.	£	s.	d.	£	s.	d.
To capital paid up				500,000	0	0
To reserved fund				100,000	0	0
To customers' balances, &c.				3,857,281	11	11
To profit and loss balance brought from last account	7,795	14	3			
To ditto rebate &c. ditto....	9,667	8	3			
To gross profit for the half-year, after making provision for bad and doubtful debts	108,475	15	0			
				125,938	17	6
				£4,583,220	9	5

Cr.	£	s.	d.	£	s.	d.
By cash on hand at head office, and branches:	460,261	8	5			
By cash placed at call and at short notice ..	837,861	17	0			
				1,298,123	5	5
Investments, viz.:—						
By Government and guaranteed stocks ..	250,630	1	3			
By other stocks & securities	173,329	3	2			
				423,959	4	5
By discounted bills, notes, & temporary advances to customers in town and country ..	2,442,195	17	10			
By advances to customers on special securities..	290,577	2	4			
				2,732,773	0	2
By freehold premises in Lombard-st. & Nicholas-lane, freehold & leasehold property at the branches, with fixtures and fittings.				51,144	4	10
By interest paid to customers				32,476	10	11
By salaries and all other expenses at head office and branches, including income-tax				44,744	3	8
				£4,583,220	9	5

LONDON AND COUNTY BANK, *continued*—

PROFIT AND LOSS ACCOUNT.

Dr.	£	s.	d.	Cr.	£	s.	d.
To interest paid to customers	32,476	10	11	By balance brought forward from last account	7,795	14	3
To expenses, as above.....	44,744	3	8	By rebate, &c., ditto	9,667	8	3
To rebate on bills not due, &c., carried to profit and loss new account	9,614	1	8	By gross profit for the half-year, after making provision for bad and doubtful debts	108,475	15	0
To dividend, at 5 per cent. for the half-year.....	24,959	0	7				
To balance carried forward to profit and loss new account	14,145	0	8				
	£125,938	17	6		£125,938	17	6
				By balance brought down ..	14,145	0	8
				By rebate, &c., brought down	9,614	1	8

UNION BANK OF LONDON.

The directors have the satisfaction of informing the proprietors that, after payment of all charges, and including the sum of £257,771 for interest paid and due to customers on their current and deposit accounts; making ample provision for all bad and doubtful debts, and deducting £20,351 for rebate of bills not due, the net profits of the year ending the 30th of June last amount to £136,226. The directors now declare a dividend of 5 per cent., and a bonus of 7½ per cent., for the last six months, which, with the dividend and bonus paid in January last, amount to 20 per cent., clear of income-tax, for the year, and they have added 2½ per cent. on the paid-up capital to the reserved fund. After payment of the dividend and bonus for the year, amounting to £120,000, and the addition of £15,000 to the reserved fund (which will thus amount to £150,000), an unappropriated sum remains of £20,351 to be carried to profit and loss new account, for rebate, and a further sum of £1,226 to undivided profit. The directors believe that it will be satisfactory to indicate the course they intend to recommend for the adoption of the proprietors with reference to future dividends, which is to limit the dividend and bonus to 20 per cent. per annum as a *maximum*, to be paid whenever the profits of the year will justify it, after making due provision for the reserved fund, and to carry all surplus above the dividend declared to the credit of that fund until it shall amount to £250,000, when the directors will submit a proposal for capitalizing a portion of it, by making an addition to each share.

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.	£	s.	d.	Cr.	£	s.	d.
Paid-up capital, £10 per share, on 60,000 shares	600,000	0	0	Cash in the bank, at the Bank of England, and at call.....	1,775,757	19	4
Due by the bank on current accounts, deposit receipts (including interest accrued), circular notes, &c.....	10,874,640	5	9	Government Stock, Exchequer Bills, and City Bonds	1,536,500	0	0
Reserved fund, invested in Bank of England Stock and Consols, as per contra.....	135,000	0	0	Loans, bills discounted, &c.....	8,173,328	18	1
	11,609,640	5	9	£60,000 Bank Stock (taken at 200, present value being 212½), and £16,326 10*s.* 8*d.* Consols reserved fund.....	135,000	0	0
Surplus....	156,578	12	3	Bank premises, consisting of freehold buildings in Princes-st., Mansion-house-st., Argyll-place, and Fleet-street; and lease and fixtures of 4, Pall-mall East.....	100,632	0	7
				Half-year's dividend and bonus, to the 31st of December, 1856, amount carried forward	45,000	0	0
	£11,766,218	18	0		£11,766,218	18	0

THE UNION BANK OF LONDON, *continued*—

APPROPRIATION OF THE SURPLUS.

Dr.	£	s.	d.	Cr.	£	s.	d.
Dividends on paid-up capital, viz. :—				Surplus, as above, after deducting all expenses and interest paid or due (£257,771 19s.), allowed to customers on their current and deposit accounts	156,578	12	3
Half-year to the 31st of December, 1856, already paid, at 5 per cent.	30,000	0	0				
Bonus already paid, at 2½ per cent.	15,000	0	0				
Half-year, to the 30th of June, 1857, now declared at 5 per cent.	30,000	0	0				
Bonus now declared, at 7½ per cent.	45,000	0	0				
To be appropriated to reserved fund, at 2½ per cent.	15,000	0	0				
	135,000	0	0				
Carried to profit and loss new account—viz. :—							
Rebate of interest on bills not yet due	20,351	19	9				
Undivided profit	1,226	12	6				
	£156,578	12	3		£156,578	12	3

COMMERCIAL BANK OF LONDON.

The directors have now to place before the proprietors the balance sheet for the year ending 30th June last, showing a net profit of £26,810 14*s.* 7*d.*, after deducting current expenses, and making provision for bad and doubtful debts. The directors propose to declare a dividend of 4 per cent. for the past half-year, making, with the dividend already paid, 7½ per cent. for the year, free from income-tax. After payment of this dividend there will remain a sum of £4,160 14*s.* 9*d.* to be carried forward to profit and loss new account for rebate of interest on bills not yet due, and a further sum of £149 19*s.* 10*d.*, to be added to the reserve fund, which, with annual interest, will then amount to £73,272 19*s.* 10*d.* It will be seen that the business, and consequently the profits of the Bank, have been much reduced by the unfounded and injurious rumours circulated in the autumn, which were brought to the notice of the proprietors at the meeting held in December last. The directors are happy to state that the explanations then given, together with the promptitude with which the pressure was met, had the effect of entirely satisfying both the proprietors and the public of the strength and solidity of its position. The directors could not expect, in the face of active competition, immediately to recover the ground then lost, but they have the satisfaction of stating that some of the accounts which had been withdrawn have since returned, and that many new and valuable accounts have been opened since the commencement of the present year.

BALANCE SHEET, *June* 30, 1857.

Dr.	£	s.	d.	Cr.	£	s.	d.
Capital paid up, £20 each on 15,000 shares	300,000	0	0	Cash in the Bank and at call, at the Bank of England. Exchequer-bills, India-bonds, and Consols.....	343,183	0	6
Guarantee fund, invested in Government securities.. £70,821 6 3				Bills discounted, loans on stock, and other securities.	990,475	5	7
Add interest for the year.... 2,301 13 9	73,123	0	0	Strong room, fittings, and new furniture, since 1854, premises held on lease ..	3,000	0	0
Balances due to the customers of the Bank.....	936,724	11	6				
Balance carried down after paying income-tax, and deducting all charges and expenses, including £24,387 8*s.* 3*d.* interest due to customers, and making provision for bad and doubtful debts	26,810	14	7				
	£1,336,658	6	1		£1,336,658	6	1

COMMERCIAL BANK OF LONDON, *continued*—

Dr.	£	s.	d.	Cr.	£	s.	d.
Dividend at the rate of £7 per cent. per annum for the half-year ending Dec. 31st, 1856, already paid ..	10,500	0	0	Balance brought down	26,810	14	7
Dividend at the rate of £8 per cent. per annum for the half-year ending June 30th, 1857	12,000	0	0				
Rebate of interest on current bills carried to profit and loss, new account....	4,160	14	9				
Balance carried to guarantee fund, making that fund £73,272 19*s.* 10*d.*.....	149	19	10				
	£26,810	17	4		£26,810	14	7

BANK OF LONDON.

The accounts have been submitted for twenty-eight days to your auditors, according to the charter, and being found correct, the balance statements have been signed by them, and are appended to this report. From these it will be seen that the gross profit for the year (after payment of £41,594 13*s.* 6*d.* for interest to customers) amounts to the sum of £33,896 9*s.* 11*d.*, which, added to the reserve fund of £8,000 set apart last year, and interest thereon, gives £42,216 9*s.* 11*d.* as the amount of disposable profit at this period. Out of this sum there have been defrayed current expenses at the head establishment, and the Charing Cross branch; all bad debts have been written off, and ample provision made for doubtful debts; and income-tax paid. These items amount together to £17,865 6*s.* 10*d.* For rebate of interest on bills discounted, but not matured, there has been carried to profit and loss new account the sum of £4,613 11*s.* 9*d.* It has been resolved to apply £500 further towards writing off preliminary expenses, and £200 towards the branch lease and building account. There has been already paid out of these profits a dividend amounting to £7,500, declared in February last. These appropriations leave a balance of disposable profits of £11,537 11*s.* 4*d.* Out of this sum it would have been agreeable to the directors to have declared a further dividend, but they have considered it right, and consistent with the course pursued last year, to value their Government securities at the price of the day on which the balance is taken. This valuation shows a depreciation, on the 30th June last, to the amount of £7,039 13*s.* 10*d.*, which sum being deducted from the above balance of profits trenched upon the reserve fund, and determined the directors to make no distribution of profits at this period. This determination has not been arrived at without mature deliberation. Considering the Bank is but in its second year, and noticing the caution displayed by earlier banks in this particular, the directors came to the conclusion that the course taken will conduce to the *ultimate* advantage of the shareholders. The alterations in Threadneedle-street, for occupation and letting, are now brought to a close; the total outlay for purchase and improvements has been £76,510 5*s.* 1*d.* The surplus property has also, with the exception of one suite of offices, been let on lease on advantageous terms. The property being freehold, of most substantial character, it has been determined to treat the item as a permanent asset of £75,000, upon which sum a return, exceeding £5 per cent. per annum, will be realized, including a fair rental for the Bank's occupation; the separate building account of these premises is accordingly written off and closed.

BANK OF LONDON, *continued*—

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.		£	s.	d.
To capital paid up.....		300,000	0	0
To reserve fund.... £8,000				
To one year's interest, at 4 per cent.	320			
		8,320	0	0
To amount due by the Bank on current, deposit, and other accounts.....		1,205,006	7	8
To amount carried to credit of "profit and loss" account (after payment of £41,594 13*s.* 6*d.* to customers for interest on their balances.....		33,896	9	11
		£1,547,222	17	7

Cr.		£	s.	d.
By investments, viz.:—				
In Government securities .	£416,801 3 5			
In other securities..	20,348 16 11			
		437,150	0	4
In freehold premises in Threadneedle-street		75,000	0	0
In bills discounted, loans, and cash		1,017,883	4	7
In preliminary expenses ..		7,009	5	5
In lease and buildings at Charing Cross branch, furniture, &c.....		2,680	7	3
In half-a-year's dividend, to 31st December, 1856..		7,500	0	0
		£1,547,222	17	7

PROFIT AND LOSS ACCOUNT, *for the Year ending June* 30, 1857.

Dr.		£	s.	d.
To one year's current expenses at head office and Charing Cross branch, bad and doubtful debts, income-tax, &c...		17,865	6	10
To rebate of interest on bills discounted not yet due, carried to profit and loss *new* account		4,613	11	9
To amount written off—				
Preliminary expenses account	£500			
Ditto ditto, Charing Cross lease & buildings, &c.	200			
		700	0	0
To dividend, paid at the rate of 5 per cent. per annum, for the half-year ending December 31, 1856		7,500	0	0
To depreciation of value of Government securities on June 30		7,039	13	10
To balance standing to credit of reserve fund.....		4,497	17	6
		£42,216	9	11

Cr.	£	s.	d.
By reserve fund and interest..	8,320	0	0
By balance of profit brought down	33,896	9	11
	£42,216	9	11

CITY BANK.

Since the last report the directors have considered it advisable, from the steady increase of the business of the Bank, to make a further issue of 1,500 shares to the proprietors, at a premium of £10 per share, in the proportion of one to every three shares previously held. Upon this issue £15,000 have been received for premium and 32,235 on account of instalments. From the accounts, which the directors have now to submit, it will be seen that, after defraying all the current expenses of the establishment, including the usual proportion of building expenses, providing for all bad and doubtful debts, and allowing for rebate on bills discounted, not yet due, the sum remaining at their disposal amounts to £28,049, which enables them to transfer £18,000 to the credit of the 'reserved fund,' thereby increasing that fund to £28,000; to declare a dividend at the rate of £5 per cent. per annum, and a bonus of 10*s.* per share, both free of income-tax; also to carry forward the sum of £2,174 to the profit and loss account of the current half-year :—

CITY BANK, *continued*—

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.	£	s.	d.
To Capital paid up, viz., £50 per share on 4,500 shares	225,000	0	0
To amount received on account of third issue of shares	32,235	0	0
To amount of reserved fund	10,000	0	0
To amount due by the Bank on current and deposit accounts	1,248,191	0	6
To premium received on the issue of scrip for 1,500 new shares, at £10 each	15,000	0	0
To profit and loss, for the balance of that account, viz.:— Surplus profit brought forward from last half year 3,741 10 7; Since added 15,633 9 8	29,376	0	3
	£1,559,802	0	9

Cr.	£	s.	d.
By Exchequer Bills and Bonds and East India Bonds	150,904	15	8
By bills discounted, loans, &c.	1,242,838	18	8
By building, furniture, &c.	30,490	7	1
By cash in hand, at Bank of England, and at call	135,567	19	4
	£1,559,802	0	9

PROFIT AND LOSS ACCOUNT.

Dr.	£	s.	d.
To current expenses, including salaries, rent, stationery, Directors' remuneration, proportion of building expenses, allowance for bad debts, income tax, &c.	10,289	9	5
To amount carried to profit and loss new account, being rebate of interest on bills discounted not yet due	6,036	18	11
To amount transferred to the reserved fund, in addition to the £10,000 already to the credit of that account	18,000	0	0
To dividend account, for the payment of a dividend at the rate of 5 per cent. per annum, upon £225,000, amount of paid-up capital upon 4,500 shares	5,625	0	0
To bonus of 10*s.* per share upon 4,500	2,250	0	0
To undivided profit transferred to profit and loss, new account	2,174	11	11
	£44,376	0	3

Cr.	£	s.	d.
By balance brought down, viz.:— Surplus profit brought forward from last half-year 3,742 10 7; Since added 25,633 9 8	29,376	0	3
By amount of premium received on the issue of scrip for 1,500 new shares, as above	15,000	0	0
	£44,376	0	3

UNITY JOINT STOCK MUTUAL BANKING ASSOCIATION.

The directors have pleasure in submitting for approval the following balance-sheet of assets and liabilities. The difficulty attendent upon introducing the principle of mutuality into the business of banking was one which could not be accomplished without considerable trouble, delay, and expense. All arrangements were completed to begin business on the 1st of January, 1856, when the Board of Trade, deeming it necessary to consult the law officers of the Crown as to the legality of the new principle of mutuality without responsibility on the part of the depositors, delayed the grant of the charter until the 1st of May, thus entailing four months' establishment expenses on the bank before it could commence business. Great outlay was also incurred by the establishment of the following branches:—Leicester-square, Watford, St. Albans, Hertford, Ware, Brighton, and Pimlico, and the preparation for branches at Aldgate, Holborn, Regent-circus, and Exeter. Experience having proved that the success of these branches was doubtful, the directors have determined to close those at Watford, St. Albans, Ware, and Pimlico, at Midsummer next. They have also declined opening branch banks which had been prepared at Aldgate, Holborn, Regent-circus, and Exeter. These circumstances have largely increased the amount which appears under the head of preliminary expenses. The charter empowers the directors to diffuse the preliminary expenses over a period of twenty years; the average charge on the profits of each year will not, therefore, exceed £1,500. The current expenses have been considerably reduced, those for the six months ending the 30th of April, 1857, being £1,762 less than those of the preceding half-year. At the urgent request of a large body of the shareholders, it was determined by the Board that the connexion of Mr. T. H. Baylis with the Bank should cease. Negotiations entered into for that purpose were successful. Notwithstanding the recent failures and irregularities of two metropolitan joint stock banks, with the disgraceful exposures in connexion with the failure of a private bank, which shook the confidence of the public in all such institutions, this bank, although suffering in common with others from those causes, has taken root in the commercial world. It has opened upwards of 1,400 accounts, discounted bills to the amount of £1,500,000, on which a loss has accrued of only £1,100, and, after payment of current expenses, interest on deposit and current accounts, and making deduction for bad and doubtful debts, has realized a net profit of £2,415. It is the opinion of the directors that it would at present be undesirable to diminish the funds of the company by the payment of a dividend; but, as the balance admits of 3 per cent. to the shareholders upon payments made by them up to the 1st of May, 1856, it remains for the shareholders, having all the facts before them, to determine how the surplus shall be disposed of. Friendly communications have been established with most of the leading banking firms on the Continent and India, and arrangements are in progress for the appointment of agencies in the chief towns of Canada and the United States, for the transaction of business, and for the granting of letters of credit. At Birmingham, Manchester, and Southampton, agents have been appointed to receive and transmit cash to the head office on reasonable terms, and the directors have it in contemplation to open similar agencies in other large mercantile districts. The directors suggest that the future half-yearly meetings of the Bank should be held in the months of January and July, and that the books should be balanced at the usual periods, in conformity with the practice of similar establishments. The directors feel it their duty to express their unanimous conviction that this Bank will succeed, and are anxious to impress upon the minds of the shareholders the facts that the business of banking is profitable, and that this Bank is ably and honestly conducted; they, therefore, confidently urge the shareholders to recommend and expound its peculiar principle of mutuality among their friends and connexions, so as to insure its increased and permanent prosperity.

UNITY JOINT STOCK MUTUAL BANKING ASSOCIATION, *continued*—

BALANCE SHEET, *April* 30, 1857.

Dr.	£	s.	d.
To shareholders' paid-up capital	150,000	0	0
Amount due to customers on current and other accounts	176,013	18	11
Amount carried to profit and loss account, after making provision for bad & doubtful debts, & payment of interest on customers' balances	15,334	12	8
	£341,348	11	7

Cr.	£	s.	d.	£	s.	d.
By preliminary expenses:—						
Advertising & newspapers	4,276	13	1			
Books	38	0	9			
Commission on shares and drafts	1,870	17	9			
Directors' fees	1,077	6	0			
House expenses and messengers' wages	221	12	3			
Incidental expenses	257	11	10			
Opening dinner at London Tavern	591	0	6			
				848	12	4
Postage and carriage of parcels				401	11	7
Rent and taxes				2,365	16	9
Law charges for obtaining charter	1,387	8	1			
Fees to the Board of Trade	1,500	0	0			
				2,886	8	1
Stationery and printing (including the pamphlet & stamps for powers of attorney				3,342	9	9
Travelling expenses				519	9	8
Salaries & extra services	4,216	3	2			
Gratuity to Mr. Lake	500	0	0			
				4,716	3	2
Telegraphic messages				3	1	0
Loss on Holborn premises				96	3	11
Loss on Regent-street premises				217	9	4
Mr. T. H. Baylis (copyright)				6,000	0	0
						28,882 15 5
Investment in bank premises, freehold at Brighton, &c.						25,515 7 3
Bills discounted, loans to customers, and other securities						185,253 9 10
Current expenses for chief office and seven branches						12,919 7 10
Cash on hand at chief office and branches, and at call						88,777 11 3
						£341,348 11 7

PROFIT AND LOSS ACCOUNT.

Dr.	£	s.	d.
To current expenses for chief office and seven branches	12,919	7	10
To balance	2,415	4	10
	£15,334	12	8

Cr.	£	s.	d.
By profit, after making provision for bad and doubtful debts, and payment of interest on customer's balances	15,334	12	8

WESTERN BANK OF LONDON.

The directors have the pleasure of laying before the proprietors the results of the operations of the Bank during the first year of its existence. By the annexed statement it will be seen that after payment of interest to customers on their current and deposit accounts, amounting to £3,751, discharging all current expenses, and writing off all bad debts, and all bills overdue, there remains a disposable balance of £7,743 net profit, which the directors appropriate in the following manner, viz.:—In payment of a dividend at the rate of 3 per cent. per annum on the paid-up capital, for the past half-year, £3,000; in reduction of preliminary expenses, £1,333; placing to a reserved fund, £2,243; carrying to profit and loss new account for rebate on bills not due, £1,166. By the above appropriation the directors desire to indicate their wish not to receive any remuneration at present for their past services. They beg to assure the proprietors that, notwithstanding the many obstacles which have beset the Bank at its commencement, the business is very steadily and satisfactorily increasing, and they feel the most entire confidence that by a prudent and unflinching adherence to the legitimate principles of banking they shall ultimately obtain for it a position among the most prosperous joint stock banks of the metropolis.

Liabilities and Assets, *June* 30, 1857.

Dr.	£	s.	d.
Subscribed capital, £400,000.			
To paid-up capital £50 per share on 4,000 shares	200,000	0	0
To amount due by the Bank on current deposits, &c.; accounts, interest accrued, &c.	191,281	9	8
To profit and loss account	7,743	14	9
	£399,025	4	5

Cr.				£	s.	d.
By Government securities				100,000	0	0
By bills discounted, promissory notes, loans on securities, &c.				224,777	0	0
By cash on hand at Bank of London				31,700	15	11
By freehold premises in Hanover-square, and premises in Brook-street unsold, and valued at upwards of £6,000	£19,700	0	0			
By buildings & alterations	8,550	2	9			
By fittings for offices & house furniture	959	14	1			
				29,213	16	10
By preliminary expenses				13,333	11	8
				£399,025	4	5

Profit and Loss Account.

Dr.	£	s.	d.
To rebate of interest on bills not due	1,116	7	1
To dividend of £3 per cent. per annum on £200,000 for half-year from 1st January to the 30th of June	3,000	0	0
To amount written off preliminary expenses	1,333	11	8
To balance carried to reserved fund	2,243	16	0
	£7,743	14	9

Cr.				£	s.	d.
By balance brought down				7,743	14	9
By gross profits	£16,745	11	8			
To charges for current expenses and bad and doubtful debts	£5,249	17	11			
Interest paid to customers	3,751	19	0			
				9,001	16	11
				£7,743	14	9

THE NATIONAL BANK.

The result of the transactions of the Bank, for the year ending 31st December, 1856, will be seen from the following statements, viz., first, from profit and loss account, which now stands as follows :—

		£	s.	d.
By undivided profits at December, 1855		66,482	8	9
By net profit for the year 1856, after writing off all bad debts and providing for doubtful ones		70,951	1	3
		£137,433	10	0
Deduct shareholders' dividend, June, 1856	£13,500			
,, bonus paid in July	10,000			
,, shareholders' dividend to December, 1856	13,500			
		37,000	0	0
Balance, 31st December, 1856		£100,433	10	0

Next, as regards the assets and liabilities in the year 1856, the directors desire to draw the attention of the proprietors and the public to the following detailed statement :—

ASSETS AND LIABILITIES.

Dr.	£	s.	d.	Cr.		£	s.	d.
Gold and silver coin in Ireland	748,844	16	8	Paid-up capital, London stock	£450,000			
Government funds, viz., Consols and New 3 per Cent. Stock	516,241	13	9	Local stock	33,721	483,721	0	0
Exchequer bills, debentures, cash on hand and at the Bank of England	424,760	15	11	Clonmel & Carrick-on-Suir reserve funds		6,921	18	2
Bills discounted, on hand	2,455,916	2	0	Circulation of notes		1,159,580	0	0
Advances on current account and loans at short notice	617,723	15	1	Due by the Bank on deposit receipts, current accounts, &c.		3,079,621	15	0
Cost of Clonmel & Carrick-on-Suir Bank shares, purchased	32,517	8	9	Balance of reserve fund		100,433	10	0
Bank premises in London, Dublin, and branches	34,273	11	0					
	£4,830,278	3	2			£4,830,278	3	2

ROYAL BRITISH BANK.

The following is an abstract of the last Report and Accounts for the half-year ended June 30, 1856 :—

"The directors present to the proprietary the report for the past half-year. They have determined, with due regard to the permanent interests of the shareholders, to declare a dividend at the rate of 4 per cent. per annum, which will enable them to make more than ordinary provision for bad and doubtful debts. The removal of the chief office to Threadneedle-street, though retarded beyond the period anticipated, has already been attended with an important accession of custom ; and the directors are glad to announce a corresponding increase at the principal branches. The branch opened at Holborn is making the most satisfactory progress. An important change has taken place in the management of the bank ; Mr. Cameron having retired, the directors have availed themselves of the experience of Mr. Craufurd, and have appointed him their general manager. They have also appointed Mr. Duncan their deputy-manager. These gentlemen have both been for many years in the service of the bank, in important situations."

ROYAL BRITISH BANK, *continued*—

LIABILITIES AND ASSETS, *June* 30, 1856.

Dr.	£	s.	d.
To subscribed capital £300,000, one-half paid up	150,000	0	0
To amount due by the bank on account of new shares and for fixed periods; on drawing accounts; on promissory and circular notes and acceptances for customers	842,428	12	3
To reserve fund, as at Feb. 1, 1856, as per report for sixth year 13,990 19 0; To dividends 211 9 8; 14,202 8 8; Unappropriated balance at ditto 2,341 8 2; To gross balance for the half-year ended June 30, 1856, after making provision for bad debts, and paying interest (£14,866 11*s.* 11*d.*) on deposits, promissory notes, and balances 15,069 15 6	31,613	12	4
	£1,024,042	4	7

Cr.	£	s.	d.
By loans on convertible securities for short periods, advances on cash credit accounts, bills discounted, &c.	810,204	0	1
By balance of preliminary expenses, including charter and branches, to be liquidated by yearly instalments	15,793	11	11
By property of the bank in buildings, &c., to be liquidated by yearly instalments	23,680	3	4
By investments in Government stock, and cash in bank	174,364	9	3
	£1,024,042	4	7

PROFIT AND LOSS.

Dr.	£	s.	d.
To expenditure of the bank, for the half-year ended the 30th of June, 1856, at its chief office and seven branches, comprehending rents, rates, and taxes, salaries, and payment of income-tax	10,851	1	1
To amount voted to directors at annual meeting, Feb. 1, 1856	2,000	0	0
To amount set apart for liquidation of preliminary expenses and cost of premises for half-year ended June 30, 1856	500	0	0
To dividend (free of income-tax) for half-year ended June 30, 1856, at 4 per cent. per annum	3,000	0	0
To reserved fund, as at Feb. 1, 1856, as per balance sheet 13,990 19 0; To dividends 211 9 8; 14,202 8 8; To reserved fund, as at June 30th, 1856 14,202 8 8; To unappropriated balance 1,060 2 7	15,262	11	3
	£31,613	12	4

Cr.	£	s.	d.
By gross balance and reserved fund as above, brought down	31,613	12	4
	£31,613	12	4
By reserved fund, as above, brought down	£15,262	11	3

ROYAL BRITISH BANK, *continued*—

The following is a summary of the affairs of this Bank, prepared by Messrs. J. E. Coleman & Co., from a balance sheet of more than 400 pages, which was filed by the directors on the 12th September, 1857:—

In the Court of Bankruptcy, Basinghall-street, London.
The balance-sheet of the Royal British Bank of the South Sea House, Threadneedle-street, in the city of London; No. 429, Strand; No. 311, High Holborn; No. 97, Goswell-road, Islington; No. 32, Regent-circus, Piccadilly; No. 1, Shaftesbury-terrace, Pimlico; No. 77, Bridge-road, Lambeth; and No. 60, Blackman-street, Borough, from Nov. 19, 1849, to Oct. 9, 1856:—

Dr.	£	s.	d.
To creditors	565,249	2	7
To Bank's acceptances for customers' account, £2,132 13s. 8d., which will be paid by those for whose account they have been accepted.			
	£565,249	2	7
To capital paid up	158,735	0	0
To profits	123,893	17	6
	£847,878	0	1

Cr.		£	s.	d.
By cash balances		7,120	16	8
By debtors (good)		112,422	11	10
By debtors (doubtful)		215,200	2	5
By bills discounted		80,850	11	7
By bills (doubtful)		19,019	5	10
By R. P. Harding, amount standing to his debit at this date, being assets paid over to or collected by him as official manager		69,768	0	1
By bank-houses and furniture: Cost	£34,752 17 1			
Estimated realization under bankruptcy	19,400 0 0	19,400	0	0
To losses below	£15,352 17 1			
By stamps		329	4	10
By Welsh works, cost		105,783	3	1
		£629,893	16	4
By adjusting interest account		22,356	10	0
By dividends paid		23,524	13	0
By business expenses	£86,884 3 4			
By preliminary expenses	15,793 11 11	102,677	15	3
By losses by bad debts, &c.		54,072	7	11
By bank-houses and furniture, as above		15,352	17	1
		£847,878	0	1

ALLIANCE BANK.

Shareholders' Annual General Meeting, held at Paris, on Saturday, March 14, 1857. The Alliance Bank began business on the 7th April, 1856, and the accounts made up to the 31st December, 1856, show the amount of business done during this period of eight months and twenty-three days to have been 72,489,357 francs 28 cents (£2,899,574 6s. 3d.), and the amount of profits, after deducting all the current expenses, to have been 480,375 francs 27 cents (£19,215 0s. 2d.) In order to cover the portion of profits not realized in cash on the 31st December, and to provide for the formation of a reserved fund, the directors propose to carry forward to profit and loss "new account" the sum of 158,299 francs 28 cents (£6,331 19s. 5d.) They also propose to write off at once the entire amount of the payment made for preliminary expenses 43,376 francs 67 cents (£1,735 0s. 10d.) It will be seen from the annual accounts that the adoption of the above proposals will permit the Bank, after having also paid the sums allowed for administration and direction, 28,699 francs 93 cents (£1,147 19s. 11d.) to pay to the shareholders 25 francs (£1 sterling) per share, say 10 per cent. on the 250 francs (£10) per share, called up during 1856, which appears, on a calculation of the dates of the calls, equivalent to interest at the rate of 16 per cent. per annum.

ALLIANCE BANK, *continued*—

BALANCE SHEET, *December* 31, 1856.

Dr.	Francs.	£	Francs. c.	£ s. d.
To share capital	5,000,000	= 200,000		
* Less amount not paid up on Dec. 31, 1856	2,355,125	= 94,205		
			2,644,875 0	= 105,795 0 0
To bills payable			351,371 55	= 14,054 17 2
To amount due by the Bank on current and deposit accounts			654,305 40	= 26,172 4 3
To profit and loss			480,375 27	= 19,215 0 7
		Frs.	4,130,927 22	£165,237 2 0

Cr.	Francs. c.	£ s. d.
By cash on hand and at call.....	968,947 38	= 38,757 18 0
By bills receivable	1,646,333 51	= 65,853 6 10
By furniture of the Bank	20,539 65	= 821 11 7
By preliminary expenses	43,376 67	= 1,735 1 2
By sundry accounts debtor, including temporary advances on approved securities....	1,451,730 61	= 58,069 4 5
Frs.	4,130,927 22	£165,237 2 0

PROFIT AND LOSS.

Dr.	Francs. c.	£	Francs. c.	£ s. d.
To preliminary expenses			43,376 7	= 1,735 1 2
To allowance to Council, 5 ℘ ct. on 286,999f. 20c. ..	14,349 96	= 574		
			28,699 92	= 1,148 0 0
To dividend at the rate of 25f. or 20s. per share			250,000 0	= 10,000 0 0
To amount carried to credit of Profit and Loss Account, 1857, and for the formation of a reserve fund, in conformity with the statutes			158,299 28	= 6,331 19 5
			Frs. 480,375 27	£19,215 0 7

Cr.	Francs. c.	£ s. d.
By amount of profit to the 31st Dec., 1856 ..	480,375 27	= 19,215 0 7
Frs.	480,375 27	£19,215 0 7

* Note.—The last call of 250 francs (£10) per Share was made payable on 1st Jan. 1857.

LONDON AND EASTERN BANKING CORPORATION.

At a meeting of the London and Eastern Banking Corporation, held on Monday, July 21, 1856, the Hon. J. C. Erskine in the chair, a dividend at the rate of 6 per cent. per annum was declared, and the report was adopted, of which the following is an abstract:—

"The directors, in meeting the shareholders for the purpose of laying before them the accounts for a complete twelvemonth, have satisfaction in drawing their attention to the result of the Bank's operations for 1855. The audited accounts show that the net profits, after payment of all expenses, and writing off bad debts, amount to £25,378, exceeding 10 per cent. upon the paid-up capital. The shareholders have already received for the past year two half-yearly dividends at the rate of 6 per cent. per annum, and on this occasion the directors do not recommend any further distribution of that year's profits, but propose reserving the balance—viz, £10,378—to be carried to the credit of the rest or surplus fund. The accounts now presented exhibit the operations only for the year ending the 31st of December last, it being impracticable to close and exhibit them to a later period, in consequence of the necessity for awaiting the receipt of the audited accounts of the Calcutta and Bombay branches before the general balance-sheet can be struck, and the actual profits of the Bank ascertained; but, from the large profits made at the head office and home branches during the past half-year, the directors have ample funds out of which to declare the usual dividend at the rate of 6 per cent. per annum to the 30th of June last. The directors desire to call the attention of the shareholders to the great and steady increase of the Bank's operations, as shown by the statements published in the *London Gazette*—viz., that whereas the total amount of the assets and liabilities of the Bank amounted, on the 30th of June, 1855, to the sum of £428,364, they had increased by the 30th of June, 1856, to £1,166,721. The directors feel confident that the practice they have introduced of offering to the public a higher rate of interest than that granted by other London banks for sums deposited for long fixed periods is founded on sound principles, and cannot fail to prove of much advantage, since they are enabled to employ the funds thus obtained through the Indian branches of the Bank safely, and at highly remunerative rates. The Bank has already received considerable sums in deposit for periods fixed at from three to five years certain, at 4½ to 5 per cent. interest. For sums deposited for short periods, or at call, the Bank having only the same field for employment of such funds as the other banks, do not, of course, allow higher rates of interest than the current London rates. The Indian branches, moreover, afford a ready outlet for the profitable employment of such portion of the Bank's capital as cannot be advantageously used during periods of great abundance of money in this country. The success which has attended the establishment of the Hyde Park branch has induced the directors to open two other branches in London—viz., one at 44, Mark-lane, and the other at 20, Pall-mall, from which they anticipate advantage."

LIABILITIES AND ASSETS, *December* 31, 1855.

Dr.	£	s.	d.	Cr.	£	s.	d.
To shareholders on capital account	250,000	0	0	By Indian branches	57,300	0	0
To fixed and floating deposits and drafts in circulation	380,404	18	3	By Exchequer bills, Government securities, bills of exchange, treasury and agency drafts, and cash in hand	252,801	7	3
To profit and loss	25,378	7	5	By bills discounted, advances, and credits	338,709	10	4
				By stamps	216	18	0
				By preliminary expenses, bank furniture, &c.	6,755	10	1
	£655,783	5	8		£655,783	5	8

LONDON AND EASTERN BANKING CORPORATION, *continued*—

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING *December* 31, 1855.

Dr.	£	s.	d.	Cr.	£	s.	d.
To expenses of head office, branches, &c., viz.:—				By amount of gross profit for the year ended Dec. 31st, 1855	28,826	6	11
To establishment expenses	2,724	18	4				
To charges general	526	0	1				
To postages	197	1	1				
To net profit carried to dividend account	25,378	7	5				
	£28,826	6	11		£28,826	6	11

DIVIDEND ACCOUNT FOR THE YEAR 1855.

Dr.	£	s.	d.	Cr.	£	s.	d.
To dividends on paid-up capital, per £250,000 for half-year to 30th June	7,500	0	0	By brought forward from profit and loss account, being net profit to 31st December, 1855	25,378	7	5
To ditto ditto to 31st December	7,500	0	0				
To rest, or surplus fund, invested in Government securities	10,378	7	5				
	£25,378	7	5		£25,378	7	5

This Bank suspended business operations on the 17th of March, 1857, and its affairs were put in liquidation. The Bank was established in 1854 with a subscribed capital of £500,000, and the capital paid up £250,000. The head office was at 27, Cannon-street, City, besides which it had branches at 136, Westbourne-terrace, Hyde-park; at 20, Pall Mall, St. James's; 44, Mark-lane, City; at 6, Council House, Calcutta; and at Forbes-street, Bombay. By the latest returns published in the *London Gazette* there were 98 shareholders, amongst whom were several wealthy persons in India: the whole number of subscribers residing in India is 46, several of whom are merchants of good position. The following is the official return made of its assets and liabilities to the 31st of January, 1857:—

Dr.	£	s.	d.	Cr.	£	s.	d.
Shareholders on capital account	250,000	0	0	Indian and other branches	245,067	5	11
Fixed and floating deposits and drafts in circulation	983,463	6	1	East India and Government securities, bills of exchange, treasury and agency drafts, credits, discounts, and cash in hand	989,925	14	4
Profit and loss	17,129	2	3	Stamps	177	19	9
Rest or surplus fund	10,378	7	5	Bank and branch houses and preliminary expenses	25,799	15	9
	£1,260,970	15	9		£1,260,970	15	9

On the 24th of March a private meeting was held, when it became known that the directors had distributed amongst themselves large sums of money, and that nearly the entire paid-up capital had been lent to *one* individual on mortgage. It was agreed at this meeting that the Mercantile Bank of India, the Oriental, the North Western, and the Agra banks, should advance a sufficient sum to meet the deficiencies in India, amounting to £104,000, and allow further time for the bills held by them on the London and Eastern Bank, provided certain securities were transferred to them, and the shareholders guaranteeing the remaining 50 per cent. of unpaid capital by giving their promissory notes for it. A committee was formed to carry out this plan, consisting of Mr. William Gomm, Capt. Boville, and Colonel Yates. This committee reported on the affairs of the Bank on the 20th of July, of which the following is an abstract:—

LONDON AND EASTERN BANKING CORPORATION, *continued*—

"The managers of the Bank of India have made over charge of the branches at Bombay and Calcutta to the agents of the Oriental Bank, by whom the Indian affairs are being wound up as expeditiously as possible. It is due to the managers of these branches to state, that the Indian business has been conducted prudently and with due regard to the interests of the shareholders, the only operations resulting in loss being those originated at the head-office. This loss has arisen chiefly from heavy drawings in London on the branches in Calcutta and Bombay, and consequent re-drafts between these branches and on England at disadvantageous exchanges, and by these operations the balance of £42,700, now appearing in the accounts as to be received from India, will be reduced to less than £20,000. In pursuance of the arrangement with the Oriental Bank Corporation, promissory notes of shareholders on account of unpaid capital for £206,150 have been handed to that corporation, who have also received in Calcutta calls or security for the payment of calls amounting to £1,320.

"A second call of £15 per share has been made, payable on the 1st August, and steps will be taken to enforce this and the previous call of £15 per share, payable on the 24th April ult., against those shareholders who have not given their promissory notes for unpaid capital. The statement of accounts now laid before the meeting embraces the result of the liquidation from the 11th of April, the date of the last account, to the 11th instant, and shows that the liabilities of the Bank have been reduced from £340,240 to £282,706. In addition to the assets actually realized and applied in reduction of liabilities as above, considerable progress has been made in arranging and bringing into shape many outstandings of a complicated and doubtful character. When the last report was made the estimated deficiency was £6,320, and by the present statement the deficiency appears to be £12,710. This arises, not from too high a value having been formerly made of the assets, but from loss on Indian exchange, as previously explained.

"It is hoped the out-turn of the general assets will fully bear out the present estimate, but the final result of the liquidation must entirely depend on the realization of the securities held for Colonel Waugh's debt."

On Tuesday, the 28th of April, 1857, at a meeting of the shareholders, a lengthened report from the directors was read, by which it appeared the liabilities from the 11th of April had been reduced from £340,240, to £282,706; and the assets from £334,010 to £269,996. A petition has since been presented to Vice-Chancellor Wood to wind up the affairs in bankruptcy by two of the shareholders.

ORIENTAL BANK CORPORATION.

The directors have the pleasure of presenting to the proprietors the annual report of their proceedings for the year 1856, and of laying before them the general statement and balance sheet for that period. The amount of net profit for the year is £163,362 2*s.* 6*d.*, from which a dividend for the first six months at the rate of 10 per cent. per annum has already been paid, and it is now the intention of the directors to declare a like dividend, together with a bonus of 2 per cent., for the 6 months ended on the 31st December last. This dividend (£1 5*s.*) and bonus (10*s.*), together £1 15*s.* per share, or 7 per cent. on the capital for the last six months, will be payable (free of income-tax) on and after the 1st June. After these payments are made, there will remain a balance of £8,062 2*s.* 6*d.* to be carried forward to next year's account. The directors had hoped that the establishment of peace in Europe would have led to a condition of the money market more favourable to operations with the East, but they regret to state that such has not been the result, and that the price of money in London has remained as high as during the war. The proprietors will have heard of the destruction of the British factories at Canton. The directors are however advised, that previously to the commencement of the disturbances all their books, money, and valuable property had been removed to Hong-Kong. The actual loss, therefore, is confined to the building and furniture, and for these compensation has been applied for in the right quarter. Two months ago an application was made to the directors on behalf of the London and Eastern Bank, which was in difficulties. The Corporation held none of the obligations of that Bank, but some of our most valued constituents being interested, the directors agreed, in conjunction with other establishments connected with India, to assist in the liquidation of its affairs, in order to save the expense and probable litigation

ORIENTAL BANK, *continued.*

consequent on a judicial winding-up. The Corporation has ample security for any advances it can be required to make for this purpose, and the liquidation is being carried out under the superintendence of one of its officers. It will be seen in the annexed account that the insurance fund, which in the previous annual statement stood at £10,960 19*s.* 2*d.*, now amounts to £38,183. This gratifying result, after so short a period from the formation of the fund, affords an early prospect of accumulations sufficient to cover the shipments of bullion made by the Corporation, not otherwise insured, and then to become a source of additional revenue to the proprietors. The official agency connected with the public debt of India having been discontinued on the part of the Government, the directors are happy to inform you that a large share of this business has been acquired by the Corporation, and the interest accruing on the securities now held on behalf of constituents (the amount of which is constantly increasing) forms a permanent addition to our remittance operations at the Presidencies. In consequence of numerous applications by proprietors to know the extent of their liability under the Charter, and in order to prevent misapprehension on this subject, the directors take this opportunity to state that the charter explicitly limits the liability of the shareholders to £50 for each share held by them, that is to say, £25 already paid up, and £25 additional.

BALANCE SHEET, *December* 31, 1856.

Dr.		£	s.	d.
To promissory notes in circulation not bearing interest		358,366	2	6
To bills of exchange in circulation not bearing interest		2,379,180	18	1
To balances due to other banks		317,940	4	11
To cash deposited, not bearing interest		461,367	16	2
To cash deposited, bearing interest		2,310,144	11	9
Total due to the public		£5,826,999	13	5
To capital paid up	£1,260,000 0 0			
To reserved surplus fund	252,000 0 0			
To insurance do.	38,183 0 0			
To dividends remaining unpaid	11,743 10 0			
To balance of profit and loss after defraying all current charges	96,262 2 6			
Due to shareholders		1,658,188	12	6
		£7,485,188	5	11

Cr.	£	s.	d.
By coin and bullion	2,216,641	11	3
By balances due from other banks	101,603	18	9
By promissory notes or bills of other banks	54,407	15	0
	£2,372,653	5	0
By Government securities	1,065,266	6	5
By landed or other property of the Corporation	143,314	6	0
By debts secured by landed or other property	55,371	12	6
By notes and bills discounted, or other debts due to the Corporation, not included under the foregoing heads, and exclusive of debts abandoned as bad	3,848,582	16	0
	£7,485,188	5	11

PROFIT AND LOSS.

Dr.	£	s.	d.
To amount paid as dividend for the half-year to 30th June, including income-tax	67,200	0	0
To balance as above	96,262	2	6
	£163,462	2	6

Cr.	£	s.	d.
By amount of net profit at 31st December, 1856, after defraying current charges and writing off all bad and doubtful debts	163,462	2	6
	£163,462	2	6

OTTOMAN BANK.

The directors have satisfaction in announcing the continued prosperity of the Bank. The disorganized condition of finance generally in Turkey has rendered it inexpedient to enter upon any extensive exchange operations during the last six months. A source, in ordinary times, of considerable profit has thus, from prudential considerations, remained temporarily unproductive On the other hand, the local business of the Asiatic branches has steadily increased, and continues to increase. The accounts to the 30th of June show a net amount to the credit of profit and loss, after making provision for bad and doubtful debts, of £30,029. Out of this a distribution of 12*s.* per share is recommended, leaving a balance of £15 029. At the general meeting in March next, it will be proposed that a sum should be set apart as a reserve fund, and that it should be augmented from time to time from profits (by an amount not exceeding 2 per cent. on the capital of the Bank in any one year) until it reach the sum of £50,000. It is further intended to propose that the preliminary expenses, now standing at £6,000, shall be written off at the rate of £2,000 per annum. The shareholders have been already informed that the increasing business would render necessary the payment of the uncalled capital of the Bank; the directors have accordingly issued notices for the payment of the remaining £5 per share on the 14th of September next.

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.		£	s.	d.
To capital called, viz., 25,000 shares, at £20 each, upon which £15 has been called, as per last statement	£375,000 0 0			
Less outstanding, second call	25 0 0			
	374,975 0 0			
Received in anticipation of third call	250 0 0			
		375,225	0	0
To bills of exchange and amounts due by the bank and its branches on deposits and current accounts		450,437	18	5
To reserve for bad and doubtful debts		4,000	0	0
To profit and loss		30,029	6	6
		£859,692	4	11

Cr.	£	s.	d.
By cash on hand in London and at the branches	18,321	16	7
By bills of exchange and promissory notes in London & at the branches	335,411	2	11
By balance due to the bank in current accounts	124,916	8	6
By loans and securities	299,987	15	4
By leasehold premises, furniture, &c., in London and at the branches	5,055	1	7
By balance of preliminary expenses, as per last account	6,000	0	0
	£859,692	4	11

PROFIT AND LOSS.

Dr.	£	s.	d.
To general charges of the London establishment, including rent, direction, salaries, office expenses, &c.	4,742	6	2
To provision for bad and doubtful debts	4,000	0	0
To balance	30,029	6	6
	£38,771	12	8

Cr.	£ s. d.	£	s.	d.
By amount brought forward from last account	12,729 19 0			
From which is to be deducted income tax thereon, and general manager's per-centage	1,873 19 6			
		10,855	19	6
By profits to this date		27,915	13	2
		£38,771	12	8

BANK OF EGYPT.

A special meeting of the shareholders is now convened for the purpose of declaring a dividend. The annexed statement of accounts and profit and loss from the opening of the Bank on the 7th of July, 1856, to the 30th of June, 1857, is submitted, showing a net profit of £13,021, after appropriating £1,140 towards the payment of the preliminary expenses. The directors trust that this result will be considered satisfactory. It has been their endeavour to conduct the business with the greatest caution; they have allowed no prospect of increased profits to tempt them to depart from this principle; and they have to state that £876, the whole amount of bad debts, has been written off in full, although there is every reason to believe that at least one-half of that sum will be recovered. The gross earnings at Alexandria for the six months ending the 30th of June, 1857, show an increase of 80 per cent. in the business of the Bank, as compared with the six months ending the 31st December, 1856; and the prospects for the future are equally encouraging. Out of the net profits a dividend is declared of 6 per cent., free of income-tax, on the capital paid up, amounting to £11,250, which leaves a balance of £1,771 to be carried forward to the next account.

LIABILITIES AND ASSETS, *June* 30, 1857.

Dr.	£	s.	d.
To capital, viz., 10,000 shares at £25 (£250,000), upon which £18 15s. have been paid up as follows:—			
Deposit (£5 per share), Jan. 31, 1856 50,000 0 0; First call (£7 10s.), May 31, 1856 .... 75,000 0 0; Second call (£6 5s.), Oct. 31, 1856 .... 62,500 0 0	187,500	0	0
Capital not called up 62,500 0 0			
To bills payable, current and other accounts	224,437	11	1
To balance carried to profit and loss	13,021	9	10
	£424,959	0	11

Cr.	£	s.	d.
By cash in hand, 17,087 19 10; By bills receivable, advances and other securities .... 396,006 13 4; By office furniture and fixtures 1,864 7 9	414,959	0	11
By preliminary expenses ..	10,000	0	0
	£424,958	0	11

PROFIT AND LOSS.

Dr.	£	s.	d.
To rent, salaries, bad debts directors' remuneration, charges, both in London and Alexandria, to date ..	7,186	11	1
To preliminary expenses, written of	1,140	17	9
To balance carried down ..	7,080	0	8
	£15,407	18	6
To dividend, at the rate of 6 per cent. on the paid-up capital, payable Sept. 1 ..	11,250	0	0
To balance carried to next account	1,771	9	10
	£13,021	9	10

Cr.	£	s.	d.
By profit for the last six months .... 18,545 9 0; Less rebate of interest on bills discounted, not due..... 3,137 10 6	15,407	18	6
	£15,407	18	6
By balance brought down ..	7,080	9	8
By ditto of undivided profits, Dec. 31, 1856	5,941	0	2
	£13,021	9	10

MERCANTILE BANK OF INDIA, LONDON, AND CHINA.

By the report of this Bank, at the head office Bombay, dated the 24th of March, 1857, the half-yearly profit to the 3rd of December, 1856, was £31,494, which, after payment of a dividend at the rate of 8 per cent. per annum, left a balance of £11,497 to be added to the reserve fund, which amounted to £40,219.

THE AGRA AND UNITED SERVICE BANK.

This Bank has branches at Agra, Madras, Bombay, Lahore, and Canton. The half-yearly accounts submitted up to the 31st of December, 1856, show a net profit of £49,360, which, after payment of a dividend at the rate of 10 per cent. per annum, left a surplus of £11,860 to be carried to reserve fund, which amounted to £149,250. This Bank, as well as the Oriental Bank, had its office premises burned to the ground at Canton during the disturbances there in the early part of the year.

NATIONAL DISCOUNT COMPANY (LIMITED).

FIRST REPORT.

The directors have the pleasure of submitting to the shareholders a statement of the affairs of the company, on 31st December last (1856), together with an abstract of the profit and loss account, which shows a net profit of £7,766 14*s.* 10*d.* after the payment of current expenses, and providing for bad and doubtful debts. The directors recommend that a dividend of 3*s.* per share on the original shares, with a proportionate dividend of 3*d.* per share on the deposit upon the new shares, together amounting to £6,376 5*s.* 3*d.*, be declared, and the balance £1,390 9*s.* 7*d.* be carried forward to next account. It is suggested that the liquidation of the preliminary expenses shall be spread over a series of years; no appropriation towards them is proposed at this early period, but they have been held in view in the amount of the balance to be carried over. The directors have to express to the shareholders their satisfaction with the progress of the business, the bills discounted to 31st December having amounted to £5,926,413 16*s.* 1*d.*, and the number of accounts opened being 845. The results would have been still more favourable but for the sudden advance in the rate of interest in October, and the great scarcity of money which has since prevailed. It must also be kept in mind that the growth of every business is gradual, and the forming a connexion a work of time, while the expenses of an efficient establishment are immediate, yet indispensable. The capabilities of the office have been necessarily adapted to transactions of a much greater extent, but as the business increases the expenses will each year become a comparatively lighter burden on the profits. Besides the difficulties incident to every new undertaking, the directors have had to encounter those peculiar to, and consequent upon, this company being the first formed for carrying on legal monetary operations under the Limited Liability Act; but they believe an opinion is gaining ground—which an examination of the list of shareholders is well calculated to strengthen—that the new law of limited liability, by attracting a superior class of proprietors, and through the medium of a large subscribed capital, will afford to the public a degree of security which recent events have shown not to have been always insured by the old law. The directors are glad to have the opportunity of confirming the high opinion they have already expressed of the ability and knowledge of the managers, and of bearing testimony to the efficiency of the secretary and the other officers.

NATIONAL DISCOUNT COMPANY, *continued*—

BALANCE SHEET, *December* 31, 1856.

Dr.		£	s.	d.
To capital paid up, viz.:				
£5 per share on 39,252 shares	196,260			
£1 per share on 39,077 shares	39,077			
	235,337			
To call of £4 per share due 1st Jan., 1857, pre-paid on 5,635 new shares	22,540	257,877	0	0
To amount due by the Company on loans, deposits, &c.		2,140,681	14	10
To amount carried to profit and loss account		28,545	2	10
		£2,427,103	17	8

Cr.	£	s.	d.
By cash at bankers	39,876	10	10
By bills discounted, &c.	2,381,431	9	2
By preliminary expenses	5,614	10	6
By furniture, &c.	181	7	2
	£2,427,103	17	8

PROFIT AND LOSS.

Dr.	£	s.	d.
To current expenses, directors' remuneration and reserve to meet losses on unpaid bills	8,032	15	0
To rebate of interest on bills discounted not yet due, carried to new account	12,745	13	0
To net balance, applicable for dividend	7,766	14	10
	£28,545	2	10

Cr.	£	s.	d.
By balance brought down	£28,545	2	10

SECOND REPORT.

A statement of the accounts for the six months ending the 30th of June is annexed. The bills discounted from the 1st of January to the 30th of June last, amounted to £5,456,415; for the previous six months to £4,984,652; making a total of £10,441,067 during the first complete year from the formation of the company. The directors regret the losses sustained during the past half-year, but the reports respecting them have been so greatly exaggerated, and have so unduly affected the value of the shares, as to call for a statement of their real extent and character. These losses have arisen almost exclusively from the failure of C. Franghiadi & Sons, and some other firms connected with them; of Barker and Co.; and of the General Wood-Cutting Company. Under the first, the bills actually returned unpaid have been £11,800, and the ultimate loss will be about £5,800. Under the second, the returned bills have been £11,162, and the loss will be about £7,200. Under the last, the returned bills have been £5,544, and the loss will be about £2,400. It will be seen that the losses from these failures, and one or two others of minor importance, amounting in the whole to about £16,000, have somewhat exceeded the profits. This has caused the directors much anxiety, and brought home to them the necessity for more active supervision, which they believe to have been secured by the appointment of a permanent committee of three of their number, to be in constant daily communication with the managers, and to aid them with their counsel and experience. The system has been in operation about four months, and promises a continuance of satisfactory results.

NATIONAL DISCOUNT COMPANY, *continued*—

BALANCE SHEET, *June* 30, 1857.

Dr.	£	s.	d.	Cr.	£	s.	d.
To capital called up, viz.:—				By cash at bankers	19,324	9	8
To £5 per share on 78,329 shares.... £391,645				By bills discounted, &c....	2,397,651	14	9
To less calls unpaid 5,040				By preliminary expenses ..	5,614	10	2
	386,605	0	0	By furniture, &c.....	179	7	0
To amount due by the company on loans, deposits, &c.	2,039,297	16	10	By premises in Cornhill....	18,494	11	0
To amount at credit of profit and loss	15,361	15	9				
	£2,441,264	12	7		£2,441,264	12	7

PROFIT AND LOSS.

Dr.	£	s.	d.	Cr.	£	s.	d.
To current expenses, including salaries, rent, stationery, advertising, &c., to this date £2,476 11 5				By balance, Dec. 31, 1856..... £7,766 14 10			
To directors' remuneration 1,500 0 0				By less dividend, declared February 6, 1857..... 6,376 5 3			
To auditors' remuneration 50 0 0					1,390	9	7
	4,026	11	5	By gross profit during the half-year	32,133	19	4
To rebate of interest on bills discounted, not yet due, carried to new account.....	14,136	1	9				
To balance, subject to provision for dishonoured bills.....	15,361	15	9				
	£33,524	8	11		£33,524	8	11

THE LONDON DISCOUNT COMPANY (LIMITED.)

The directors avail themselves of the earliest opportunity of convening the shareholders, and submitting to them the result of the company's operations for the first six months. The accounts, which have been prepared to the 30th June, exhibit a net profit of £3,832 13*s.*, after providing for bad and doubtful debts. This amount the directors recommend should be carried to the credit of the next half-yearly account, it being, in their judgment, premature to declare a dividend. The directors trust that the result of the first six months' transactions will not be considered unsatisfactory, when it is borne in mind that they have had to contend, not only against the ordinary difficulties consequent on the formation of a new company—difficulties increased by recent disclosures affecting some Joint Stock Companies—but also against a stringent money market, so trying to commercial credit. These have induced the directors to restrict their operations, and thus to limit the amount discounted to the moderate sum of £2,500,000. The directors have the satisfaction to announce that connexions have been formed with upwards of forty banks, and many commercial houses of high standing; and they confidently expect a steady increase in the company's business, which cannot fail to be remunerative.

THE LONDON DISCOUNT COMPANY, *continued*—

A.

BALANCE SHEET, *June* 30, 1857.

Dr.	£	s.	d.
To capital account—deposit of £5 per share on 35,647 shares	178,235	0	0
To depositors, and liabilities on bills re-discounted	986,998	13	4
To sundry creditors, for rent, law charges, and stationery	651	16	2
To balance carried to profit and loss	13,106	19	10
	£1,178,992	9	4

Cr.				£	s.	d.
By cash at bankers	£16,116	8	9			
By cash at office	91	13	7			
				16,208	2	4
By bills not matured				1,089,336	13	8
By over-due bills in hand	8,188	1	7			
Less cash received on account	1,197	10	0			
				6,990	11	7
By loans on Government & other securities				60,965	0	0
By sundry debtors, for balances on current accounts				244	11	3
By office furniture, fixtures, &c.				1,866	2	10
By preliminary expenses				3,381	7	8
				£1,178,992	9	4

B.

PROFIT AND LOSS, *from* 18*th December*, 1856, *to* 30*th June*, 1857.

Dr.				£	s.	d.
To interest due on deposits	£2,022	16	8			
Less amount due to Company	191	11	8			
				1,831	5	0
To rebate of interest on bills not due, taken at 6 per cent.				3,947	16	1
To reserve for estimated loss on balance of unpaid bills, £6,990 11*s.* 7*d.*				3,495	5	9
To balance carried down				3,832	13	0
				£13,106	19	10

Cr.				£	s.	d.
By balance brought from Statement "A"				13,106	19	10
Thus made up, viz.:—						
Interest received on deposits prior to 18th December	£1,887	10	3			
Discount account for balance of that account	13,688	15	1			
Deposits forfeited	160	0	0			
Transfer fees, &c.	45	4	6			
	£15,781	9	10			
Deduct—						
Rent, salaries, & office expenses	2,674	10	0			
	£13,106	19	10			
				£13,106	19	10
1857. July 1—Balance brought down				3,832	13	0

COLONIAL BANK.

At a meeting of the Colonial Bank held on the 8th July, 1857, the profit for the half-year ending December the 31st, 1856, was stated at £28,141 7*s.* 4*d.*, from which a dividend at the rate of 3 per cent. per annum was declared, free of income-tax, leaving a balance to be carried to the credit of bad debts, reducing that item from £23,220 to £10,078. The following statement of the accounts was presented :—

COLONIAL BANK, *continued*—

Dr.	£	s.	d.
Circulation	237,567	9	2
Deposits & other liabilities	1,154,560	5	11
Paid-up capital	500,000	0	0
Profit	28,141	7	4
	£1,920,269	2	5

Cr.	£	s.	d.
Specie	243,389	10	8
Due to the Bank in the Colonies on bills discounted and purchased, including those past due	853,935	0	6
Due to the Bank in the Colonies on current accounts.	18,667	4	6
Due to the Bank in London on bills remitted, cash at bankers, &c.	774,809	11	9
Bank premises and furniture in London & the Colonies.	6,247	10	0
Balance of bad debts	23,220	5	0
	£1,920,269	2	5

THE PROVINCIAL BANK OF IRELAND.

The directors have now to request the attention of the meeting to the following statement :—

		£	s.	d.
The account submitted to the last yearly general meeting in May, 1856, showed the amount of REST OR UNDIVIDED PROFITS at 29th March, 1856, to be		196,787	12	4
Out of which there were paid to the proprietors a bonus of 4 per cent. at Midsummer, 1856, and a second bonus of similar amount at Christmas, 1856, making together the sum of		43,200	0	0
Leaving a balance of		£153,587	12	4
And there has been further deducted the amount of two half-yearly dividends, paid to the proprietors as follows, viz. :—				
At Midsummer, 1856	£21,600			
At Christmas, 1856	21,600			
Together		43,200	0	0
Leaving of the REST of last year a balance of		£110,387	12	4
To which there has since been added the amount of NET PROFITS for the year ending on the 28th, being the last Saturday of March, 1857, after deducting property-tax, and providing for all bad and doubtful debts.		115,527	5	5
Making the amount of REST OR UNDIVIDED PROFITS at 28th March, 1857		£225,914	17	9

The proprietors will observe that the profits shown in the above account considerably exceed those of any previous year, which is attributable to the same causes as were stated in last year's report, namely, an increase of the Bank's business, combined with the high rate of interest, and continued exemption from any losses of importance; and the directors consider it their duty to put these facts again prominently before the proprietors, and to repeat what they mentioned to the meeting last year—that this scale of profit is higher than can reasonably be expected to be permanent; and the proprietors must not, therefore, risk disappointment by calculating upon such large profits being continuous. The directors are, however, of opinion that the account now submitted to the proprietors, and the present position of the Bank, are so satisfactory as to enable them to pay a somewhat increased bonus along with the next half-yearly dividend; and they have accordingly now the pleasure of intimating to the proprietors that it is their intention to pay in July next a bonus or extraordinary dividend of 30*s.* on each £100 share, and 12*s.* on each £10 share of the capital stock of the Bank, in addition to the half-yearly dividend of 4 per cent., making the amount to be then paid £2 10*s.* on each £100 share, and £1 on each £10 share, for the half-year ending at Midsummer next; and they will also, as heretofore, pay the property tax for the proprietors.

BANK OF BRITISH NORTH AMERICA.

The accounts which have been placed in the hands of the proprietors exhibit a diminution in the profit of the Bank for the last year, as compared with that of the previous year, amounting to £6,132 4*s.* 2*d.* The disposable profit, however, after deducting bad debts, and making provision for probable loss on doubtful dependencies, amounts to £90,943 18*s.* 6*d.*, a sum which enables the directors to declare the usual dividend at the rate of 6 per cent. per annum, together with the same amount of bonus as that paid for each of the last two years, namely, £1 10*s.* per share, this latter being free of income-tax, which leaves a sum of £943 18*s.* 6*d.*, added to the rest. The directors consider it right to state, that the accounts received from the branches for the first four months of the present year do not exhibit an amount of business equal to that of the corresponding period of last year, and they take this opportunity of reminding the proprietors of that which has been previously stated by the court, that the amount to be paid as bonus must always be dependent on any surplus which may remain beyond a dividend at the rate of 6 per cent. per annum. That considerable monetary pressure does exist in the North American Provinces is well known to those connected, by trade, with that portion of our Colonial Empire, and there can be no difficulty in accounting for the occurrence of such a pressure; the fact that the interest of money has for some time ruled at a higher rate in England than that which the laws prevailing in Canada and the adjacent Colonies allow to be charged, must have had a considerable influence in withdrawing capital from thence, as well as preventing its introduction; the continuance of a financial policy so opposite to that adopted by the mother country has attracted the serious attention of some of the Colonial Legislatures, and may probably lead to a beneficial alteration in that important matter.

BALANCE SHEET, *December* 31, 1856.

Dr.	£	s.	d.	Cr.	£	s.	d.
Capital	1,000,000	0	0	Specie and Cash at bankers	302,537	19	3
Circulation	586,202	17	2	Bills receivable and other securities	2,633,122	10	4
Deposits	529,745	9	7	Bank premises	44,500	0	0
Bills payable and other liabilities	688,150	14	6				
Reserve for Christmas dividend	30,000	0	0				
Undivided net profit	146,061	8	4				
	£2,980,160	9	7		£2,980,160	9	7

PROFIT AND LOSS.

Dr.		£	s.	d.	Cr.	£	s.	d.
Dividends and bonus declared as follow:—At Midsummer, 1856, payable July, 1856—					Balance of undivided net profit to December 31, 1855	145,117	9	10
Dividend	£30,000				Net profit for the year 1856, after deduction of all current charges, and providing for bad and doubtful debts	90,943	18	6
Bonus	30,000							
	£60,000							
At Christmas, 1856, payable Jan., 1857—								
Dividend	30,000							
		90,000	0	0				
Balance in hand, being undivided net profit to the 31st December, 1856		146,061	8	4				
		£236,061	8	4		£236,061	8	4

BANK OF NEW SOUTH WALES.

The following report of the board of directors of the Bank of New South Wales was unanimously adopted at the half-yearly general meeting of the proprietors, held at the Banking-house, in Sydney, on Wednesday, the 22nd of April, 1857:—

The directors have the pleasure to present to the shareholders a statement of the affairs of the Bank for the past half-year, and to report a continued steadiness in its business.

		£	s.	d.
The undivided balance of the 30th of September last was		3,063	3	11
From which is to be deducted the amount voted by the proprietors on the 29th of October to the directors and auditors		1,400	0	0
		1,663	3	11
To which are to be added the net profits, after deducting rebate on current bills, paying all expenses of management, providing for all bad and doubtful debts, and making allowance in reduction of Bank premises and office fittings		62,813	6	10
Leaving for distribution		64,476	10	9
Which the directors recommend to be applied—				
To payment of dividend at the rate of 20 per cent. per annum	£50,000 0 0			
To increase of reserve fund	13,053 4 8			
To balance carried to profit and loss, "new account"	1,423 6 1			
		64,476	10	9

With the above increase to the reserve fund, and the sum of £1,946 15*s.* 4*d.* collected from debts previously written off as bad, that fund will amount to £140,000 0 0

The directors recommend that the authority conferred on them at previous half-yearly meetings, to form such branches or agencies as may be expedient during the present half-year, be continued.

The dividend will be payable at the head office on and after to-morrow the 23rd instant, and at the branches immediately on receipt of advice.

On behalf of the board of directors,
ROBERT TOOTH, for the President.

Aggregate Balance-Sheet of the Bank of New South Wales, March 31, 1857, *(including London Branch to December* 31, 1856).

Dr.	£	s.	d.	Cr.	£	s.	d.
To Bank Stock	500,000	0	0	By coin and cash balances	693,004	7	9
To notes in circulation	682,414	0	0	By bullion in hand and in transit to London Branch, March 31, 1857.	1,271,676	11	6
To bills payable	1,388,178	8	9	By Government securities.	235,073	7	0
To deposits and other liabilities	2,492,255	5	6	By notes of other banks	31,311	0	0
To Old Bank circulation	3,312	0	0	By bank premises	45,893	8	2
To reserve fund	126,946	15	4	By bills discounted, and other debts due to the Bank	2,866,636	7	8
To profit and loss	83,963	6	6	By insurance account	7,424	14	0
				By suspense note account.	1,250	0	0
				By investment in Government debentures on account of reserve fund	124,800	0	0
	£5,277,069	16	1		£5,277,069	16	1

BANK OF NEW SOUTH WALES, *continued*—

PROFIT AND LOSS.

Dr.	£	s.	d.	Cr.		£	s.	d.
To rebate on bills discounted, not due at this date (March 31)	19,486	15	9	By amount from last account (October 1)	3,063 3 11			
To dividend for half-year, at the rate of 20 per cent. per annum	50,000	0	0	Deduct voted by the proprietors at meeting of 29th October, to directors and auditors	1,600 0 0			
To reserve fund	13,053	4	8			1,663	3	11
To balance carried forward to profit and loss "new account"	1,423	6	1	By profits of half-year ending March 31		82,300	2	7
	£83,963	6	6			£83,963	6	6

RESERVE FUND.

Dr.	£	s.	d.	Cr.	£	s.	d.
To balance, March 31, 1857	140,000	0	0	By balance, October 1, 1856	125,000	0	0
				By sundry recoveries from bad debts.....	1,946	15	4
				By amount from profit and loss, March 31, 1856	13,053	4	8
	£140,000	0	0		£140,000	0	0

UNION BANK OF AUSTRALIA.

The profits of the Bank for the half-year ending in the Colonies on 31st December, and at the London office on 30th June, have exceeded those of the previous half-year by the sum of £2,165 12*s.* 7*d.*, those reported in January last being £90,528 1*s.* 5*d.*, and the present amounting to £92,693 14*s.*; and there are indications of subsequent improvement in several important items of the general banking business, while no further bad debts have been incurred. Notwithstanding this, the directors are unable to declare the same dividend on the present occasion, in consequence of an increased estimate for probable loss on old dependencies having been advised in the Inspectors' Reports on the Accounts at the close of the year. This has led the directors to make a special deduction of £13,600 from the balance of undivided profits to cover such estimate, the amount of the reserve held for the purpose being thus increased to £69,000; —the board hope, however, that the entire of this sum may not ultimately be required. The directors proceed to submit the Statement of Accounts, which presents an amount of profit for the year now reported of £183,221 15*s.* 5*d.*, to be added to the former balance of £5,667 6*s.* 7*d.*, from which, deducting income tax, payment of dividend to Christmas last, and the special sum of £13,600, already mentioned, there remains £79,282 8*s.* 5*d.*, as the amount of undivided profit. This admits of £77,900 being appropriated for the purpose of dividend, which the directors have determined to apply as interest on the paid-up capital; and the same will therefore furnish a dividend by way of interest at the rate of 9½ per cent. (for the half-year) on the amount paid up in respect of each share in the capital of the company, payable in London, free of income-tax, on Tuesday, the 4th day of August, and in the Colonies, with the addition of income tax, as soon as the inspector shall fix after receipt of advices.

UNION BANK OF AUSTRALIA, *continued*—

STATEMENT OF LIABILITIES AND ASSETS.

At the Branches, on 31st December, 1856; and at the London Office, on 30th June, 1857.

Dr.	£	s.	d.
Circulation	413,219	0	0
Deposits	2,396,336	3	11
Bills payable and other liabilities	1,171,043	3	10
Balance of undivided profits	79,282	8	5
Reserve fund (invested as per contra)	200,000	0	0
Paid-up capital	820,000	0	0
	£5,079,880	16	[illegible]

Cr.	£	s.	d.
Specie on hand, and cash balances	802,176	19	11
Bullion	9,135	0	11
Bank premises and property	59,082	9	10
Bills receivable, Government stock, and other securities	4,009,486	5	6
Investment of reserve fund, New 3 per Cents.	200,000	0	0
	£5,079,880	16	2

STATEMENT OF PROFITS.

		£	s.	d.
Balance of undivided profits at June, 1856		91,767	6	7
Out of which a dividend was declared, by way of interest, amounting to		86,100	0	0
Leaving a balance of		5,667	6	7
To which are now to be added the profits of the past year, ending at the Branches on the 31st December, 1856, and at the London Office, 30th June, 1857, viz.:—				
For half-year as reported in Jan. 1857	£90,528 1 5			
Ditto now reported	92,693 14 0			
	183,221 15 5			
Deduct— Income-Tax paid for year, on the average of the last 3 years	14,006 13 7			
		169,215	1	10
		174,882	8	5
Amount of interest paid to proprietors at Christmas, 1856		82,000	0	0
		92,882	8	5
Deduct— Amount of increased reserve against loss on doubtful debts, as stated in the report		13,600	0	0
Leaving a net balance of undivided profits at this date		79,282	8	5

RESERVE FUND.

	£	s.	d.
As reported at June, 1856	200,000	0	0

LONDON CHARTERED BANK OF AUSTRALIA.

The accounts now placed (June 26th, 1857) before the shareholders are made up to the 31st December last. From these it will be seen, that after the usual deductions there remains to the credit of profit and loss the sum of £22,977 6*s.* 1*d.*, from which the directors recommend a dividend to be paid of 2½ per cent. for the half-year, ending 31st December last, viz., £16,875, leaving a balance of £6,102 6*s.* 1*d.* to be carried over to the next half-year.

LONDON CHARTERED BANK OF AUSTRALIA, *continued*—

BALANCE SHEET, *December* 31, 1856.

Dr.	£	s.	d.
Notes in circulation	253,726	0	0
Bills payable and other liabilities	399,062	13	3
Deposits	371,341	16	2
Total due to the public	£1,024,130	9	5
CAPITAL—Original capital paid up .. £500,000 0 0			
Second capital paid up 200,000 0 0	700,000	0	0
Profit and loss	22,977	6	1
	£1,747,107	15	6

Cr.	£	s.	d.	£	s.	d.
Coin & bullion	658,599	2	0			
Balances due by other Banks	96,759	11	5	755,358	13	5
Bills receivable and other securities				942,843	19	0
Freehold, leasehold, & other property of the corporation				43,244	10	6
Open policies				1,496	5	6
Stamps				483	3	11
Preliminary expenses				3,681	3	2
				£1,747,107	15	6

PROFIT AND LOSS ACCOUNT.

Dr.		£	s.	d.
To dividends, viz.:				
Fourth dividend of 2 per cent. for half-year ending 31st Dec., 1855	£11,000 0 0			
Fifth dividend of 2½ per cent. for half-year ending 30th June, 1856.	14,375 0 0	25,375	0	0
To proportion of preliminary expenses, viz.:—				
For half-year ending 30th June, 1856	581 4 4			
Ditto, 31st December, 1856	581 4 4	1,162	8	8
To balance carried down		22,977	6	1
		£49,514	14	9

Cr.	£	s.	d.
By balance at 31st December, 1855, per last statement	11,103	14	11
By balance of profits in London and in the Colonies for the year ending 31st December, 1856, after deducting current expenses	38,410	19	10
	£49,514	14	9
By balance brought down	£22,977	6	1

ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.

The directors have to place before the proprietors the accompanying statement of the accounts of the Bank, which have been verified by the auditors; and to report the result of the operations for the six months ending in the Colonies on the 31st March, and in London on the 30th June last, exhibiting the steady progress of the Bank, as will be seen by comparing the present balance sheet with those submitted at previous meetings. The directors are gratified in being able to add, that the latest returns received from the branches continue to show an extension of business. They therefore recommend the following appropriation of the balance at credit of profit and loss account, viz.: To the payment of a dividend at the rate of 6 per cent. per annum, free of income-tax, on £500,000, the paid-up capital of the Bank, £15,000; towards the reduction of the amounts at debit of preliminary expenses, £500; Bank premises and furniture accounts, £1,000, leaving £3,640 12*s.* 5*d.* to be added to the reserved fund, which will then amount to £7,656 1*s.* 1*d.*

ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK, *continued*—

LIABILITIES AND ASSETS.

Dr.	£	s.	d.	Cr.	£	s.	d.
Paid-up capital	500,000	0	0	Bills receivable, including those overdue, loans on security, cash at brokers, &c.	872,988	14	0
Deposits	333,512	0	6	Specie and bullion	117,729	13	6
Bills payable and other liabilities	81,677	19	11	Bank premises & furniture.	51,641	13	4
Circulation	102,541	0	0	Preliminary expenses	8,580	6	1
Reserved fund	4,015	8	8				
Amount carried to profit & loss account	29,193	17	10				
	£1,050,940	6	11		£1,050,940	6	11

PROFIT AND LOSS ACCOUNT.

Dr.	£	s.	d.	Cr.	£	s.	d.
To current expenses in Melbourne, Sydney, and sub-branches	6,410	7	1	By amount brought down	29,193	17	10
To current expenses in London, including directors' remuneration and income-tax	2,642	18	4				
	9,053	5	5				
To balance	20,140	12	5				
	£29,193	17	10		£29,193	17	10

SOUTH AUSTRALIAN BANKING COMPANY.

The profit and loss account of the company for the year shows the following results :—

		£	s.	d.
Undivided on 26th May, 1856		38,842	8	0
Appropriated to reserved fund		3,885	0	0
		34,957	8	0
Net profits in Adelaide and London for 1856–7		43,170	4	11
		78,127	12	11
Dividend, July, 1856	£15,000 0 0			
Ditto, January, 1857	15,000 0 0			
Income-tax	2,480 11 3			
		32,480	11	3
Balance on 25th May, 1857		£45,647	1	8

The usual addition of 10 per cent. to the reserved fund will equal £4,565, and make that account £55,669 8*s*. The net divisible profits, therefore, will be £41,082 1*s*. 8*d*., and the Court of directors recommend a dividend for the ensuing year of 12 per cent., payable in half-yearly instalments, free of income tax. The annual accounts having been duly audited are now subjoined :—

LIABILITIES AND ASSETS.

Dr.	£	s.	d.	Cr.	£	s.	d.
Circulation	133,697	0	0	Coin and bullion	268,567	11	9
Deposits and current accounts	456,072	19	5	Bills receivable & securities	711,229	11	8
Debts due to colonial banks and other liabilities	65,839	2	6	Debts due from colonial banks and other assets	54,952	13	4
Bills payable	43,069	13	1	Open policies, &c.	1,581	18	3
Dividends not applied for	23	15	0	Bank premises & furniture	8,718	2	11
Capital paid up	300,000	0	0	Investments for reserved fund	50,404	1	9
Reserved fund	55,669	8	0				
Profit and loss	41,082	1	8				
	£1,095,453	19	8		£1,095,453	19	8

BANK OF AUSTRALASIA.

1. The directors have the satisfaction of presenting to the proprietors the following statements of account, shewing the result of the transactions of the Bank for the year to 13th October, 1856.

2. The Profit and Loss Account at that date stood as follows:—

Balance at the credit of Profit and Loss, 15th October, 1855, as per last Report		£200,667 16 11
Net profit in the year, to 13th October, 1856, provision having been made for bad and doubtful debts, income-tax, &c.		181,110 0 6
		£381,777 17 5
Divided among the proprietors:—		
At April, 1856, a dividend at the rate of 6 per cent. per annum, and a bonus at the rate of 14 per cent. per annum, making together £4 per share	£90,000 0 0	
At October, 1856, the same	90,000 0 0	
		£180,000 0 0
Balance at the credit of Profit and Loss, 13th October, 1856		£201,777 17 5

Out of which have been paid the April Dividend and Bonus for the current year amounting to £90,000.

3. The Assets and Liabilities were:—

Assets.	£	s.	d.
Specie and cash at bankers	1,458,560	8	6
Government Securities and Loans	530,009	10	6
Guarantee Fund Investments	200,000	0	0
Bills receivable and other Securities for advances	2,802,279	0	6
Bank Premises in the Colonies and in London	98,991	0	5
	£5,089,839	19	11

Liabilities:		£	s.	d.
Circulation		639,077	0	0
Deposits		2,630,318	7	3
Bills payable, and other liabilities		428,666	15	3
		3,698,062	2	6
Capital	900,000 0 0			
Guarantee Fund	200,000 0 0			
Dividend and bonus due 14th October, 1856	90,000 0 0			
Profit & loss balance	201,777 17 5			
		1,391,777	17	5
		£5,089,839	19	11

4. It will be in the recollection of the proprietors, that in the last annual report, as well as in the statement submitted in December, the directors adverted to the unsettled character of the markets in Australia. They have now to state that the spirit of over speculation, though moderated, has not yet wholly subsided, and that the progress of recovery in mercantile affairs has been consequently retarded.

5. The gold fields have increased in productiveness, and continue to exercise a beneficial influence over the general prosperity of the Colonies. At the same time the directors have to observe, that the profits on exchange operations, which form an important department of banking in Australia, have throughout the year under review been unfavorably affected by the relatively high price of gold.

6. The directors have to announce that since the commencement of the present year, the Bank has been acting under the provisions of the New Charter, granted by the Crown for another term of twenty-one years, and in which some advantageous alterations have been made, the limited liability of the shareholders remaining unchanged.

7. The foregoing figures represent the state of the accounts at the yearly balance in October last. The directors have since received advices from the Colonies down to a recent date; which, although still exhibiting the effects of over-stocked markets, and a continuance of the high price of gold, will not interfere with their intention of declaring a dividend at the rate of 6 per cent. per annum, or 24*s*. per share, and a bonus at the rate of 14 per cent. per annum, or 56*s*. per share, for the current half-year, being at the rate of 20 per cent. per annum, payable on the 13th October next, free of income tax.

T. Wingate Henderson, *Chairman.*

London Office, 8th June, 1857.

THE LONDON JOINT STOCK BANKS IN 1857.

(From the *Bankers Circular and Finance Gazette* of August 15, 1857.)

At a period when the London Joint Stock Banks have had to encounter numerous difficulties, and when the public mind has been kept in a state of excitement regarding these institutions for some time, owing to the notorious frauds which have been committed, we shall take a brief survey of their position. The balance-sheets of all the London Joint Stock Banks have now been issued, which afford ample means of shewing their progress, and also of judging, to some extent, what their actual position is at the present time.

To begin with *The London and Westminster Bank*, we find that the total amount of net profits on the half-year ending June 30th, 1857, was £104,021 1*s.* 8*d.*; comparing this item with the net profits of the corresponding period in 1856, the increase is £11,908 3*s.* 0*d.* The deposits and current liabilities of the Bank to June last amounted to £13,913,058 17*s.* 3*d.*; being an increase of £2,743,047 18*s.* 5*d.* The rate of dividend on the capital having been maintained at 6 per cent. since 1838, no alteration has occurred; the bonus is 1 per cent. higher than that declared in June, 1856; making the distribution at the rate of 18 per cent. per annum for the half year ending June the 30th, 1857. The Reserve Fund is £150,000; but it was resolved at the last half-yearly meeting to increase it to £250,000, by an addition of 5 per cent. annually. The paid-up capital of this Bank is £1,000,000, or £20 per share.

The London Joint Stock Bank accounts exhibit a net profit on the past half-year of £76,746 19*s.* 3*d.*, shewing a decrease of £15,839 19*s.* 3*d.* compared with the profits for the corresponding half-year of 1856. The amount of deposits and current liabilities is £10,698,530 1*s.* 3*d.* against £7,873,953 1*s.* 6*d.* in June, 1856; being an increase of £2,824,576 19*s.* 9*d.* over the previous year. The Reserve Fund, including interest thereon, is £168,421 13*s.* 7*d.* against £163,266 9*s.* 2*d.* in 1856. The paid-up capital is £600,000, or £10 per share. The dividend declared was at the rate of 12½ per cent. per annum on the paid-up capital, and a bonus of 10*s.* per share, or equivalent to 10 per cent. more, making the distribution at the rate of 22½ per cent. per annum.

The London and County Bank.—The half-yearly accounts of this Bank to June last give the net profits at £31,308, being a decrease of £3,894 upon the corresponding half-year of 1856. The amount of deposits and current liabilities amount to £3,857,281 11*s.* 11*d.*, against £4,213,733 13*s.* 10*d.*; being a decrease of £356,452 1*s.* 11*d.* The Reserve Fund is £100,000, and the paid-up capital £500,000 or £20 per share. The half-yearly dividend is at the rate of 10 per cent. per annum, the same as in 1856.

The Union Bank of London.—The balance-sheet of this Bank to June last exhibits a net profit on the *year* amounting to £136,226 12*s.* 6*d.*, being an increase of £15,114 12*s.* 4*d.* when compared with the year ending June 30th, 1856. The amount of deposits and current liabilities is £10,874,640 5*s.* 0*d.* against £9,045,606 13*s.* 9*d.* in 1856, being an increase of £1,829,033 11*s.* 3*d.* The Reserve Fund is £135,000, and the paid-up capital £600,000, or £10 per

share. The dividend declared was £5 per cent. on the half-year, with a bonus of 7½ per cent., which, with 5 per cent. dividend, and a bonus of 2½ per cent. for the previous half-year, makes the distribution equal to 20 per cent. per annum, against 17½ per cent. per annum for the year ended June 30, 1856. The directors propose in future to limit the *maximum* of the dividend and bonus to 20 per cent. per annum, when the profits admit of it, after making due provision for the Reserve Fund, and to carry the surplus above the dividend declared to the credit of that fund until it amounts to £250,000, when a proposal shall be submitted for its capitalization.

The Commercial Bank of London.—The accounts of this Bank, to the 30th of June last, exhibit a net profit of £26,810 14*s.* 7*d.*, against £38,975 15*s.* 6*d.* for the corresponding *year* of 1856, being a decrease of £12,165 0*s.* 11*d.* The deposits and current liabilities of the Bank amount to £936,724 11*s.* 6*d.*, against £1,536,361 6*s.* 9*d.* in June, 1856; being a decrease of £599,636 15*s.* 3*d.* The dividend is at the rate of 4 per cent. for the half-year, which, with 3½ previously paid, makes it 7½ per cent. for the year, against a 7 per cent. dividend in 1856, and a bonus of 4 per cent. in addition, making the total distribution in 1856 at the rate of 11 per cent. The Reserve Fund is £73,123, and the paid-up capital at £20 per share, £300,000.

The above five banks are known as the unchartered Joint Stock Banks, and were established under the law of 1826. Taking each bank in the order in which it has been treated, the following results are obtained when compared with the corresponding half-yearly accounts of 1856:—

		Deposits, &c. £	Net Profits. £	Rate of Dividend per annum.
London and Westminster.....	1857..	13,913,059	104,021	18 per cent.
	1856..	11,170,010	92,113	16 „
		2,743,049 increase	11,908 increase	2 per cent. increase
London Joint Stock	1857..	10,698,530	76,746	22½ per cent.
	1856..	7,873,953	92,586	22½ „
		2,824,577 increase	15,840 decrease	.. ..
London and County	1857..	3,857,281	31,308	10 per cent.
	1856..	4,213,734	35,202	10 „
		356,453 decrease	3,894 decrease	.. ..
Union of London* ..	1857..	10,874,640	136,226	20 per cent.
	1856..	9,045,607	121,112	17½ „
		1,829,033 increase	15,114 increase	2½ per cent. increase
Commercial Bank*..	1857..	936,725	26,810	8 per cent.
	1856..	1,536,361	38,976	11 „
		599,636 decrease	12,166 decrease	3 per cent. decrease

* These banks only make up their accounts annually.

The total amount of deposits and profits of the above banks to the close of the last half-year have been as under :—

	Deposits and Current Liabilities.	Net Profits.
	£	£
London and Westminster Bank.....	13,913,059	104,021
London Joint Stock Bank	10,698,530	76,746
London and County Bank.....	3,857,281	31,308
Union Bank of London*	10,874,640	68,113
Commercial Bank of London*	936,725	13,405
	40,280,235	293,593

The proportion which the paid-up capital of each of the above banks bears to the deposits and current liabilities is as follows :—

LONDON AND WESTMINSTER BANK :

	£	
Deposits	13,913,059	Proportion 7 per cent.
Capital	1,000,000	

LONDON JOINT STOCK BANK :

	£	
Deposits	10,698,530	Proportion 5½ per cent.
Capital	600,000	

LONDON AND COUNTY BANK :

	£	
Deposits	3,857,281	Proportion 13 per cent.
Capital	500,000	

UNION BANK OF LONDON :

	£	
Deposits	10,874,640	Proportion 6½ per cent.
Capital	600,000	

COMMERCIAL BANK OF LONDON :

	£	
Deposits	936,725	Proportion 32 per cent.
Capital	300,000	

We shall only compare the market value of the shares in each of these banks, to shew the changes they have experienced in this respect during the year just ended :—

	Paid per Share.	Market price Midsummer.	Present Price.
	£	1856	1857
London and Westminster Bank	20	48½	47
London Joint Stock Bank	10	31	30¼
Union Bank of London	10	28	26
London and County.....	20	35¼	30⅞
Commercial Bank	20	33	22

* The average of the two half-years is taken for these banks, to assimilate the accounts with other banks.

We have classified the above banks by themselves, because there are many circumstances which have contributed to place them on a different footing when compared to the London Joint Stock Banks more recently established, to which we shall now refer.

The Bank of London, in its second report, gives the amount of *gross* profits on the half-year ending June 30th, 1857, at £33,896 9*s.* 11*d.* against £37,418 in 1856. The deposits and current liabilities are given at £1,205,006 7*s.* 8*d.* against £1,256,625 in 1856; being a decrease of £51,619, the dividend paid in June, 1856, was at the rate of 5 per cent. per annum, and the same to December 31st of that year; but the profits for the present half-year have been such, that the directors have not considered it advisable to declare a dividend. The paid-up capital is £300,000, and the Reserve Fund is £8,320.

The City Bank in its last report gives the disposable amount of profits for the last half-year at £28,049 11*s.* 11*d.*; out of which the sum of £18,000 is carried to the Reserve Fund, in addition to £10,000 already credited to that account, making it £28,000; a dividend at the rate of 5 per cent. per annum was declared on £225,000 paid-up capital, and a bonus of 10*s.* per share, making the dividend at the rate of 6 per cent. per annum; and a balance of £2,174 11*s.* 11*d.* was carried to the new account. The sum of £15,000 had been received as premium, on the issue of scrip for 1,500 new shares, at £10 per share. The paid-up capital now stands at £257,235. The deposit and current liabilities amount to £1,248,191 against £786,581 in June, 1856, being an increase of £461,610.

The Western Bank of London.—The accounts of this Bank have been made up to the 30th June last, by which the *gross* profits for the year are stated at £16,745 11*s.* 8*d.*; of this sum a dividend at the rate of 3 per cent. per annum was declared for the half-year from the 1st of January to the 30th of June last; £2,243 16*s.* were written off preliminary expenses, and £1,166 7*s.* 1*d.* carried to the Reserve Fund. The paid-up capital is £200,000, or £50 per share; and the deposit and current liabilities of the Bank £191,281 9*s.* 8*d.*

The Unity Mutual Bank has held no meeting since May last, when it was arranged to commence its regular half-yearly meetings in January, 1858. The paid-up capital of this Bank on the 31st July last was £150,000, and its deposits and current liabilities were £191,976 6*s.* 4*d.*

The following statement exhibits the comparative value of the shares of the above banks in 1856 and 1857:—

	Paid per Share. £	Market price Midsummer. 1856	Present Price. 1857
Bank of London	50	72	48¼
City Bank.....	50	74	66
Western Bank of London	50	51	39
Unity Mutual Bank	50	51	39¾

The above four banks, denominated Chartered Joint Stock Banks, cannot, in their present stage of existence, bear any comparison with the unchartered

banks, but as far as their deposits, capital, and dividends are concerned, we give the following summary :—

BANKS.	Paid-up Capital.	Paid per Share	Liabilities. Current.	Net Profits.	Rate of Dividend per annum.
	£	£	£	£	per cent.
London and Westminster..	1,000,000	20	13,913,059	104,021	18
London Joint Stock	600,000	10	10,698,530	76,746	22½
London and County	500,000	20	3,857,282	31,308	10
Union Bank of London ..	600,000	10	10,874,640	*68,113	20
Commercial Bank.....	300,000	20	936,725	*13,405	8
Bank of London	300,000	50	1,205,006	..	..
City Bank	257,235	50	1,248,191	..	6
Unity Mutual	150,000	50	191,281	..	..
Western Bank of London	200,000	50	191,976	..	3
	3,907,235	....	43,116,690	293,593	....

NOTE.—The recently established banks are not yet in a position to be placed with the old banks with regard to profits, they are therefore omitted in the above table.

In reviewing the progress of the Joint Stock Banks in the metropolis during the last twelve months, especially those whose origin is of recent date, circumstances have been extremely unfavourable. The failure of the Tipperary Bank, in the early part of 1856, was the first event that shook public confidence. The unfortunate death of the late Mr. John Sadleir gave rise to new suspicions; and his immediate connexion with the London and County Bank created great alarm amongst the shareholders and depositors in that establishment, which nothing but the most vigorous action and courage on the part of the directors could overcome. There was no alternative but to submit to the influence of rumours that were afloat, or satisfy the public that the alarm was unfounded; the directors wisely adopted the latter course, and at once submitted the state of their affairs to the scrutiny of a public accountant, who, after examining every department of the Bank, says:—

"In conclusion, I have to state that, in my opinion, the general business carried on in your various departments, with but few exceptions, is both sound and profitable; the mode in which your branch returns are made, and the supervision of your inspectors, is most effective; and when I find that your depositors in the country exceed 6,100, whose deposits, after providing sufficient capital for the *whole of the requirements of the sixty-two branches*, leave an amount of more than *one million and a quarter* for profitable employment by the head establishment, I feel that the confidence you have gained forms a most important element in the soundness and stability of your company."

It was by the London and County Bank that the first great struggle had to be contested, and though, happily for itself, successfully, there were new dangers soon afterwards to arise of a still more formidable character.

Within one month after the London and County Bank had somewhat restored public confidence in its solvency and integrity, the Royal British Bank suspended payment. It would be superfluous to introduce here the consequences which have attended that event, as they have become too notorious in history to be obliterated from the public mind; yet such has been their influence upon society, that nearly every Joint Stock Bank in the Metropolis

* The average of the two half-years.

has, more or less, experienced difficulties arising from this state of things. There is, however, a calmer feeling subsisting; and though rumour has been busy with her thousand tongues to the injury of those establishments, which have scarcely gained sufficient strength to treat it with indifference, we believe there is a general desire on the part of all bank directors to act upon sound principles, and to repudiate every thing that savours of duplicity and misrepresentation, being convinced that on no other basis can the confidence and support of the public be maintained.

Before we close our remarks on this subject we would offer a few observations upon the want of uniformity in which the balance sheets of Joint Stock Banks are presented. We refer to the matter because we have heard the complaint frequently made. Surely this is a subject which the few London Joint Stock Banks might all agree upon by a friendly understanding with each other. Under this head there is one point which seems to demand especial consideration, we refer to the valuation of securities, on which the banks appear to have no uniform plan.

The work of preparing the balance sheets and of valuing the assets of a Joint Stock Bank must always be a subject of interest, not merely to the shareholders, but to the public generally. The point we propose at present to notice is that of Government securities, and the values at which they are estimated at the date of the balance sheet. The practice in this respect does not appear to be uniform; for while in some banks the *market* value is taken, irrespective of the cost, in others the *actual cost* is assumed, irrespective of the market price. So long as the fluctuation in the value of these securities is trifling, the effect on their value would be proportionate; but when, as at present, there is a depreciation of from 2 to 3 per cent., the effect becomes more important and serious; and when a re-valuation takes place, and the nominal loss has to be provided out of the legitimate profits of the bank, the shareholders, at the period of the completion of such balance sheet, are prejudiced not only to the extent of their dividend, but further by the consequent fall in the price of their shares. For instance, suppose a Joint Stock Bank, having a paid-up capital of £500,000, with deposits amounting to several millions, and holding Government securities to the amount of £1,000,000, but owing to political causes, a fall of 2½ per cent. takes place; here is a loss on the investment of £25,000, if we allow the legitimate profits of the bank to admit of a dividend of 7½ per cent. for the half-year, or £37,500; from this amount £25,000 has to be deducted, leaving for distribution only 2½ per cent. amongst the shareholders, depriving them of two-thirds of their legitimate claims, not in consequence of diminished profits, or actual losses sustained, but from a *nominal* loss in the estimated value of securities, which has to be provided for from the *bonâ fide* profits; the result, as we have stated before, operates both on the dividend and the value of the shares.

Suppose, on the other hand, that a favourable change should take place in the market for public securities, and the causes of the above depreciation were removed during the succeeding six months, the shareholders would be entitled to their dividend of 7½ per cent., plus 5 per cent. they had sacrificed in the previous half-year. Changes of this kind should certainly be avoided, for they open a channel for speculation and dissatisfaction, though in each view of the question the changes arise more from nominal than from real causes.

We would suggest, as a remedy, that Government securities should be taken at their *actual cost*, and that all profit or loss on realization should be placed to the profit and loss account, to be liquidated or divided at the next dividend: each half-yearly period would thus be made to bear the actual losses sustained, while only realized profits would be divided amongst the shareholders. We are persuaded that such a course would subject the shareholders and directors of Joint Stock Banks to much less anxiety and uncertainty in the value of their property, and in the declaration of a dividend.

BANK OF ENGLAND RATES OF DISCOUNT.

The following STATEMENT shews the alterations made in the Bank of England *minimum* Rates of Discount in each year since the passing of the Bank Act of 1844 (7th and 8th Vict., cap. 32), the Amount of Bullion held by the Bank in both departments, the Notes in reserve, and the Notes in actual circulation at the time of such alteration :—

Dates.	Minimum Rate of Discount.	Total Amount of Bullion & Specie.*	Notes in Reserve.	Notes in Circulation	Observations.
1844 Sept. 5	2½ per cent.	£ 15,209,060	£ 8,175,025	£ 20,176,270	First week of operations under the Act of 1844.
1845 Oct. 16	3 per cent.	14,190,285	5,525,510	22,253,445	Year of railroad enterprise and numerous joint stock speculations.
Nov. 6	3½ ,,	13,722,948	5,437,730	21,764,635	
1846 Aug. 27	3 per cent.	16,366,068	9,449,760	20,426,130	Year of potato rot and deficient harvest.
1847 Jan. 14	3½ per cent.	13,948,681	6,545,965	20,679,370	Year of the commercial and railway crisis, when numerous failures amongst bankers and merchants occurred throughout Europe: the average price of wheat in May rose to 105*s.* 2*d.* a quarter. Great distress and famine prevailed throughout Ireland, to relieve which a loan of £8,000,000 was raised.
,, 21	4 ,,	13,442,880	6,167,170	20,599,090	
April 8	5 ,,	9,867,253	2,832,915	20,403,425	
Aug. 2	5, 5½, 6 ,, †	9,252,820	3,946,245	18,688,400	
,, 5	5½ ,,				
Oct. 25	8 ,,	8,312,691	1,547,270	20,318,175	
Nov. 22	7 ,,	10,532,943	4,986,590	18,969,575	
Dec. 2	6 ,,	11,032,599	5,583,020	18,783,065	
,, 23	5 ,,	12,236,526	7,786,180	17,822,895	
1848 Jan. 27	4 per cent.	13,390,314	7,640,315	19,141,920	At the end of February a revolution broke out in Paris, and Louis Philippe, the King of the French, fled to England, & further revolutions occurred on the continent.
June 15	3½ ,,	14,169,427	9,975,350	17,377,495	
Nov. 2	3 ,,	13,407,553	8,242,575	18,554,025	
1849 Nov. 22	2½ per cent.	16,380,184	11,571,395	17,999,030	Great depression in commerce generally, owing to the disturbed state of Europe. Navigation laws relaxed.
1850 Dec. 26	3 per cent.	14,963,681	9,777,970	18,573,750	Stamp duties modified, and excise duty on bricks repealed.

* These columns are taken from the returns made up to the end of the week in which the alteration was made in the rate of discount, except on the 25th of October, 1847.

† The charge at this date was 5 per cent. on bills having *one* month to run; 5½ per cent. on *two* months; and 6 per cent. above that term. The alteration made on the 5th August was the *minimum* rate. On the 2nd of September, loans were charged 5 per cent. until October 14th. On the 23rd of September, 5½ per cent. on two months' bills, and 6 per cent. on three months' bills. On the 10th of October the Bank refused to advance on public securities; and on the 25th of October, the rate was raised to 8 per cent. by Government letter.

BANK RATES OF DISCOUNT, *continued*—

Dates.	Minimum Rate of Discount.	Total Amount of Bullion and Specie.	Notes in Reserve.	Notes in Circulation	Observations.
1851	No alteration.	....	....	....	Window duty repealed and a house duty imposed: several reductions made in customs' duties.
1852		£	£	£	Great influx of gold into England, & the largest amount ever known to be held by the Bank of England.
Jan. 1	2½ per cent.	17,557,541	11,707,860	19,284,590	
April 22	2 ,,	19,587,670	11,500,305	21,598,854	
1853					Mr. W. E. Gladstone, the Member for Oxford University, brought forward his plan for paying off the South Sea Annuities, and for converting a part of the Consolidated Debt into a terminable debt. A very deficient harvest in this year throughout Europe. The Bank ceased to hold any silver in the Issue Department after the 20th of August.
Jan. 6	2½ per cent.	19,765,621	9,809,480	23,360,685	
,, 20	3 ,,	19,404,919	9,444,265	23,473,775	
June 2	3½ ,,	18,253,934	8,366,970	23,423,435	
Sept. 1	4 ,,	16,400,068	7,696,695	22,465,945	
,, 15	4½ ,,	15,862,398	6,977,155	22,421,920	
,, 29	5 ,,	15,612,562	6,258,520	22,773,375	
1854					War declared against Russia in March: a loan of £16,000,000 contracted in April. France contracted two loans for £10,000,000 and £20,000,000 in March and December.
May 11	5½ per cent.	12,589,366	4,713,280	21,143,990	
Aug. 3	5 ,,	13,299,510	6,291,235	20,302,465	
1855					The war with Russia continued. England and France guaranteed a 4 per cent. loan of £5,000,000 for Turkey. A loan of £2,000,000 from the Consolidated Fund voted by Parliament to Sardinia. France contracted a loan of £30,000,000 in July.
April 5	4½ per cent.	15,078,818	8,580,140	19,128,310	
May 3	4 ,,	15,619,219	8,742,600	20,049,185	
June 14	3½ ,,	18,060,716	11,814,200	19,536,195	
Sept. 6	4 ,,	14,217,376	7,525,900	20,142,102	
,, 13	4½ ,,	13,698,425	7,396,800	19,713,470	
,, 27	5 ,,	12,938,728	6,195,570	20,162,685	
Oct. 4	5½ ,,	12,279,281	5,473,470	20,291,555	
,, 18*	6 & 7 ,,	11,230,207	4,310,485	20,371,745	
1856					Loan of £5,000,000 contracted in February to carry on the war against Russia. Second loan of £5,000,000 contracted in May. The Congress of Paris signed articles of peace in April.
May 22	Rates equalized to 6 per ct.	10,558,804	5,081,690	19,331,915	
,, 29	5 per cent.	11,384,656	5,686,680	19,554,360	
June 26	4½ ,,	13,073,758	7,388,715	19,515,255	
Oct. 1†	5 ,,	10,784,257	3,775,590	20,926,155	
,, 6	6 & 7 ,,	10,140,067	3,521,620	20,542,780	
Nov. 13	7 ,,	9,684,167	3,606,815	19,929,420	
Dec. 4	6½ ,,	10,486,198	5,151,381	19,195,140	
,, 18	6 ,,	10,513,823	5,863,890	18,513,040	

* The rate at this date was fixed at 6 per cent. on bills not having more than sixty days to run, and 7 per cent. for those from sixty to ninety-five days; beyond that time not admissible for discount.

† On the 14th of October, 1856, the Bank refused to make advances for more than seven days; October 16th it refused them altogether. November 27th, the advances were made at 7 per cent. until the January opening.

FRENCH LAWS CONCERNING THE TAX TO BE LEVIED ON THE TRANSFER OF SHARES AND BONDS OF JOINT STOCK COMPANIES.

Joint Stock Companies, whose shares and bonds are subject, by the enactment of the 23rd June, 1857, to a transfer duty, will be bound to make, at the Registration-office of their respective places, the following declaration :—

1. The object, place, and duration of their establishments.
2. The date of the Act by which they have been constituted, as also of that when registered.
3. The names of the directors or their responsible managers.
4. The number and amount of the emitted shares and bonds, as also of those which are payable to bearer.

This declaration must be made before the 15th August next by all Companies which were already in existence on the date (23rd June, 1857), when the law was first promulgated, as also by those which are to be formed subsequently.

Should any alteration, change, or modification take place in their constitution, place of establishment, names of the directors, or emissions of new scrips, notice thereof must within the month be given to the office where the first declaration was made.

The duty of 20 centimes on every 100f., established by the articles 8 and 9 of the law of 23rd June, 1857, on the transfer and conversion of shares and bonds, must be paid at the registry office of the locality at the end of every quarter, and within twenty days in the following quarter.

A statement of the transfers and conversions must each time be sent to the Receiver of the Registry. This statement is to specify :—

1. The date of each operation.
2. The names, initials, and domicile of the transferrees or holders of the titles.
4. The price of each transfer, or value of the shares and bonds converted.
5. The total amount subject to the duty of 20 centimes.

The value of converted shares and bonds will be fixed, those quoted at the Exchange, by the mean price noticed on the day previous to the conversion, and all others according to Art. 16 of the 22 Frimaire, year 7.

Art. 3. The value of converted shares and bonds will be fixed by the mean price quoted at the Exchange, on the day previous to the conversion, as regards those stocks which are negotiated at the Bourse, while the shares and bonds of other descriptions must be estimated according to Art. 16 of the law of 22 Frimaire, year 7 (Dec., 1799). With regard to those bonds and shares which are not subject to the above duty, according to the last paragraph Art. 8, Law 23, June 1857, the companies will transmit to the Registry-Receiver a statement of the number of such deeds which have been negotiated within twenty days after the lapse of the time accorded for conversion.

Art. 4. Transfers, by way of security only, must be specially mentioned in the quarterly statement to the Receiver, according to Art. 2 of the present regulation, though no notice will be taken of such transfers as regards the payment of duty.

Art. 5. On the last day of each quarter—January, April, July, and October—the companies will deposit, in the hands of the Receiver, a statement of all the transferred shares and bonds payable to bearer, as also of all those which may have been negotiated without registration of the transfer. In that statement the mean price at the Bourse must be mentioned of such stocks during the preceding year. With regard to those not quoted at the Bourse, an estimate must be made according to the above law of December, 1799.

The tax will be paid for the whole quarter within twenty days after the expiration of each quarter, according to the first section of the present article. Companies which may be formed after the beginning of a quarter, the tax will, in the first instance, be paid in proportion to the number of days lapsed since the formation.

Art. 6. All the statements and declarations given in to the Receiver of the Registration must be duly certified by the directors or responsible managers of the companies.

No deduction will be made in such statements or declarations for the sums still due by the holders on shares or bonds.

Art. 7. The mean exchange which, according to Art. 6, Law 23, June, 1857, is to serve as a basis for the tax on the stocks payable to bearer, will be ascertained by dividing the sums of the mean exchange of each day in the year, by the number of those exchanges.

With regard to the values quoted differently at the Bourses of the Departments and that of Paris, the latter alone will decide the mean price in such cases.

Art. 8. The deeds of societies newly formed will, in the first year, pay a tax only by estimate of their value made by the company according to the above law of 1799.

Art. 9. The depositaries of the counterpart and transfer-registers of public companies will be bound to produce them, as well as any other documents relative to the above transfers and conversions, to the Crown Officers of Registration, whenever required and without expense, as also to allow them to make extracts or take copies of those documents which they may deem necessary in the interest of the Public Treasury, under fine pronounced by Art. 10 of the Law of the 23rd June, 1857, for each refusal.

Art. 10. Foreign companies, who are authorized to negotiate their shares and bonds at the Bourse of Paris, or the Departments, will be obliged to establish, within two months of the promulgation of the law, a responsible representative in France, and approved by the Finance Minister, under pain of forfeiting the authorization.

Such companies will have to submit to the Finance Minister a declaration indicating the number of their shares and bonds, which may serve as a basis for the tax. The number will be fixed by the Minister himself. The company will pay for the shares and bonds subject to duty an annual tax of 12 centimes for every 100f., according to the paragraph 2, Art. 6, of the Law of 23rd June, 1857, without distinction of those issued to be paid either to order or to bearer. The provisions of Art. 5 and 7 of the present regulations, relative to the terms of payment and fixing the mean price, will be applicable also to foreign values.

Art. 11. The stamp duties, to which French shares and bonds are subjected, must also be paid by foreign companies, whose shares and bonds are negotiated at French Bourses. That duty will be levied upon the declared capital, according to Art. 10 of the present regulation, and paid in conformity with the Art. 22 and 31 of the Law of the 5th June, 1850.

An official notice inserted in the *Moniteur* will dispense with the necessity of the stamp.

Art. 12. Any violation of the above regulations, or neglect of payment, will be punishable by fine, as pronounced by Art. 10 of the Law of 23rd June, 1857, independent of the punishments established by Art. 39 of the Law 22 Frimaire year 7 (Dec. 1799), for omitted or insufficient declarations.

The provisions of the present Art. will equally apply to foreign companies and their representatives.

Plombières, July 17th, 1857. NAPOLEON.

PRICES OF STANDARD SILVER IN THE LONDON MARKET.*

Months.	1850.	1851.	1852.	1853.	1854.	1855.	1856.
	d.	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*
January	59⅝	61⅝	60½	61⅝	61½	61⅝	61½
February	59⅝	61⅜	60¾	61¼	61⅝	61⅝	61½
March.....	59⅝	61⅛	60⅜	61⅜	61⅞	61½	60⅞
April	59⅝	61⅛	60	61⅜	61⅞	60⅞	61
May.....	59⅝	61	59⅞	61	61¾	61¼	61⅛
June	59⅝	60⅞	60	61	61¼	61⅝	61⅛
July.....	59¾	60¾	60⅛	61½	61⅝	61½	61¼
August	59⅞	60⅞	60⅜	61½	61½	61¾	61½
September.....	60	60⅝	60⅜	62⅛	61⅜	61¾	61⅝
October	60⅜	60¼	60⅞	61⅝	61½	61⅛	62
November	61¼	60⅜	61¾	62⅜	61⅝	61⅜	62½
December	61½	60¾	61½	61⅝	61½	61⅝	62½
Average price per ounce ..	60½	60⅞	60⅞	61½	61⅞	61½	61½
Proportionate value of silver to gold †....	15.421 to 1	15.326 to 1	15.326 to 1	15.170 to 1	15.078 to 1	15.170 to 1	15.170 to 1

The silver market for some time past has been very perplexing, and various opinions have been entertained as to the disturbing causes of the changes it has undergone; but it is doubtful whether any single cause can have had so powerful an influence upon it as the discoveries of gold in California and Australia, and to these the primary impetus may, in a great measure, be attributed. These discoveries having been made, the movement of the precious metals has since been continuously active—silver acting upon gold, and *vice versâ*. Subsidiary to these considerations have been the expansion of commerce and the financial operations of various countries, both of which have exercised a powerful influence upon the demand for the precious metals. The credit establishments instituted throughout Europe within a few years are also extremely numerous; and as all of them are, in some degree, based upon specie, they have tended to augment the demand for the precious metals, and particularly silver. Prior to these changes silver had become almost unsaleable, except at a very low price. In the early part of 1847, the price of standard silver was 58⅞*d.* per ounce, or in the ratio of 15.994 to 1 of gold; but in 1854 it was 61⅞*d.*, or in the ratio of 15.078 to 1 of gold, being an increase in price of 5¾ per cent. It should, however, be noticed that large supplies at that time came from India; but the course has now been wholly reversed, the principal drain having been for a long time to India and China. There has also been a strong current of silver to the continental countries of Europe, where silver is the standard measure of the circulating medium. The late war in the Crimea also exercised great power in the distribution of silver throughout Europe in 1854 and 1855. Without, however, venturing to affirm any particular opinions as to the special laws at work to produce the changes referred to, the above facts are submitted as the results of the causes in operation.

* These prices have been verified by Messrs. Haggard and Pixley, Bullion Brokers, Old Broad-street, as being a fair average.

† It must be observed that these ratios are calculated on the *standard* value of the two metals, and not on their *intrinsic* value.

EAST INDIA COMPANY'S SECURITY FUND.

The present state of India has given rise to various opinions respecting the capital stock of the East India Company under any adverse position of the Company's government in those territories. The financial position of India has already been given at considerable length under the head of "British India;" but as the question has been raised as to the responsible party in the event of the Company's ceasing to govern British India, it may be as well to refer to the Act of 1833, when a complete change was made in the character of the Company, as far as regards its capital, dividends, liabilities, &c.

The 9th section of the Act says:—

"That from and after the 22nd day of April, 1834,

All the *Bond Debt of the Company*, and

All the *Territorial Debt of the Company in India*, and

All *other Debts* which shall on that day be owing by the Company, and all sums of money, costs, charges, and expenses which, after the 22nd day of April, 1834, *may become payable* by the said Company, in respect or by reason of any covenants, contracts, or liabilities then existing, and all debts, expenses, and liabilities whatsoever, which *after the same day* shall be lawfully contracted and incurred on account of the government of the said territories, and all payments by this Act directed to be made, shall be charged and chargeable upon the revenues of the said territories; and that neither any *stock or effects* which the said Company *may hereafter* have to their own use, nor the *dividend by this Act secured* to them, nor the *Directors or Proprietors* of the said Company, shall be liable to, or chargeable with, *any* of the said *debts, payments*, or *liabilities*."

It is evident from this clause that the Government took upon it the sole responsibility of all the debts and liabilities of the Company.

By the 11th section, a dividend at the rate of 10½ per cent. per annum was to be paid on the Company's capital stock of £6,000,000 out of the territorial revenues of India, from the 6th of July, 1834, and in every subsequent year.

By the 12th section the above dividend was made subject to "*redemption by Parliament upon*, and at *any time after*, the 30th of April, 1874, on payment to the Company of £200 sterling for every £100 of the capital stock," provided that twelve months' notice in writing be given to the Company, signified by the Speaker of the House of Commons, by the order of the House.

The 13th section provides, that if the Company should be deprived of the Government of notice on, or at any time after the 30th of April, 1854, it shall be lawful for the Company to demand the redemption of their capital within one year afterwards, and that provision should be made for the redemption within three years after such demand.

By the 14th section, the sum of £2,000,000 was to be placed into the hands of the National Debt Commissioners, to accumulate at compound interest at the rate of 3½ per cent. per annum, as a "*Security Fund*," until it reach £12,000,000 sterling, "for better securing to the Company the redemption of the dividend."

By the 15th section, the National Debt Commissioners are empowered to raise and pay such sums as may be necessary for the payment of the Company's dividend, by reason of *any failure or delay of the remittances of the proper fund* for such payment, by sale, transfer, or by way of mortgage of any portion

of the "Security Fund," upon a requisition received from the Court of Directors of the Company.

By the 16th section, any surplus dividends received on the Security beyond the sum of £12,000,000, to be applied in aid of the revenues of the Indian territories.

By the 17th section, the dividends of the Company are to be paid or retained out of the territorial revenues, and remitted to *Great Britain*, in preference to any other charges payable thereout in *Great Britain*.

These are the chief clauses in the Act of 1833, relative to the debts and revenues of the territories of British India.

Another Act was passed in August, 1853, to continue the government in the hands of the Company; but it was more of a political than of a financial character.

The following is the present state of the "Security Fund," according to an official return:—*

April 25, 1834.	£	s.	d.
Paid Commissioners for the Reduction of National Debt	2,000,000	0	0
Dividends received by the Commissioners between the 5th July, 1834, and the 5th August, 1857, including two days' interest on protracted payment of part of the above £2,000,000	2,282,594	12	6
Total sum received	£4,282,594	12	6

	3 per cent. Consols. £	s.	d.	Reduced 3 per cents. £	s.	d.
The above £2,000,000 was invested in	6,841	17	7	2,222,090	18	11
The above £2,282,594 12*s.* 6*d.* was invested in	799,578	4	8	1,677,149	18	2
	£806,420	2	3	3,899,240	17	1
				806,420	2	3
Total Stock				£4,705,660	19	4

August 5, 1857.

SELECT COMMITTEE ON THE BANK ACTS OF 1844 AND 1845.

The Select Committee on the Bank Acts of 1844 and 1845 have, in their report, simply agreed to recommend that the enquiry be resumed next session.

The author had prepared a variety of statistical information connected with the Bank of England and other banks, hoping that further returns in the last session of Parliament would have enabled him to present them in a complete form in the Appendix; but as these returns have not yet appeared, he has been compelled to postpone it until the issuing of the forthcoming volume of the *Financial Register*.

It may not be inopportune here to offer a few remarks upon the banking statistics of the United Kingdom, which are at present published in so irregular

* *Par. P.* No. 258. Sess. 2, 1857.

and so fragmentary a manner that they can only be given in a very imperfect form, except at long intervals of time, when they have become only matters of history without value. For instance, the statistics of the operations of the Bank of England have not appeared in detail since the year of the panic of 1847. If these returns were issued annually, accompanied by an annual report, similar to that of the Bank of France, they would convey an amount of information of great value to the public. There is, however, one change that is certainly highly necessary, namely that the weekly returns published in the *Gazette* should be brought down to the end of the week when they appear; or say, let them be published in the Tuesday's number, bringing the accounts down to the previous Saturday. Such publicity would be to make the returns commercially useful. The form also of these returns admits of great improvement, especially in the separation of discounts of bills from advances.

THE JOINT STOCK BANK ACT OF 1857.

At the time of going to press this Act received the Royal assent, too late for giving it *in extenso*. This is a measure which does not apply to banks and banking in general, but is intended rather to repeal the Joint Stock Bank Act of 1844, the 7 and 8 Vict., cap. 113, and to give power to persons to form a banking association without applying for a charter, where the number consists of *seven* or more persons, "other than a limited company:" the shares must however not be less in amount than £100 each: but every bank, consisting of more than seven persons formed under the Joint Stock Bank Act of 1844, in England, and in Scotland and Ireland, under the Act of 10 Vict., cap. 75, are bound to register themselves under this Act, on or before the 1st of January, 1858, and in default of so doing, such bank shall be—1. Incapable of suing at law or in equity. 2. No dividend shall be payable to any shareholder. 3. Each director or manager to be fined £5 for each day for default of complying with this section. Registration of banking companies, formed prior to the above-named Acts, permissive. Another provision is that banks registered under this Act are not to be wound up under the 11th Vict., cap. 45; the 8 Vict., cap. 111; the 13 Vict., cap. 108; and the 9 Vict., cap. 98.

IMPORTS OF SPECIE AND BULLION IN 1856.

The following is a statement of the total amount of gold and silver specie and bullion imported into this country, as nearly as can be ascertained, there being no official accounts taken at the Custom House:—

1856.	From Australia. £	From United States. £	From Mexico, West Indies, &c. £	Total. £
First quarter	1,651,900	565,100	1,884,800	4,194,000
Second quarter ..	4,070,000	2,050,300	1,943,200	8,029,000
Third quarter ..	2,525,700	3,471,000	1,831,000	7,597,000
Fourth quarter ..	1,999,800	2,506,500	1,159,500	5,813,000
Total	10,247,400	8,592,900	6,818,500	25,633,000

EXPORTS OF GOLD AND SILVER IN 1856.*

	Gold. £	Silver. £	Total. £
January	51,432	481,516	532,948
February	35,166	944,319	979,485
March	29,500	852,618	882,118
April	33,856	809,862	843,718
May	30,431	1,152,013	1,182,444
June	21,340	658,580	679,920
July	46,775	1,104,882	1,151,657
August	29,869	1,162,103	1,191,972
September	35,232	1,245,604	1,280,836
October	12,693	1,278,501	1,291,194
November	65,335	1,142,271	1,207,606
December	13,120	1,286,716	1,299,836
Total	404,749	12,118,985	12,523,734

The following table shows the destination of these exports during the year 1856 :—

	Gold. £	Silver. £
To Malta	Nil.	Nil.
„ Alexandria	156,191	2,250
„ Aden	400	3,552
„ Ceylon	51,543	694
„ Bombay	7,906	4,748,631
„ Madras	28,523	213,781
„ Calcutta	719	3,417,091
„ Penang	—	51,730
„ Singapore	29,541	514,242
„ Hong Kong	129,926	1,443,532
„ Canton	—	520,327
„ Shanghai	—	1,203,155
Total	404,749	12,118,985

The total shipments of specie from Great Britain to the East for six years were as follows :—

	Gold. £	Silver. £
1851	102,280	1,716,100
1852	921,739	2,630,238
1853	880,202	4,710,665
1854	1,174,299	3,132,003
1855	948,272	6,409,889
1856	404,749	12,118,985
Total for six years	4,431,541	30,717,880

The following account is also given of shipments of specie to the East from the Mediterranean ports :—

	Gold. £	Silver. £
1853	93,528	848,362
1854	48,456	1,451,014
1855	243,239	1,524,240
1856	74,039	1,989,916
Total in four years	459,262	5,813,532

* Compiled from a Statement published by Mr. J. Low, Austin Friars.

COINAGE OF GOLD AND SILVER AT THE LONDON MINT,
From 1845 *to* 1856.

	Gold. £	Silver. £	Total. £
1845	2,244,608	647,658	2,892,266
1846	4,334,912	559,548	4,894,460
1847	5,158,440	125,730	5,284,170
1848	2,451,999	35,442	2,487,441
1849	2,177,955	119,592	2,297,547
1850	1,491,837	129,096	1,620,933
1851	4,400,411	87,868	4,488,279
1852	8,742,271	189,597	8,931,868
1853	11,952,391	701,545	12,653,936
1854	4,152,183	140,480	4,292,663
1855	9,008,663	190,511	9,199,174
1856	6,002,114	462,528	6,464,642
Totals	62,117,784	3,389,595	65,507,379

COINAGE OF GOLD AND SILVER IN FRANCE,
From 1845 *to* 1856.

	Gold. £	Silver. £	Total. £
1845	4,765	3,598,704	3,603,469
1846	83,456	1,915,445	1,998,901
1847	308,240	3,131,406	3,439,646
1848	1,587,909	4,789,243	6,377,152
1849	1,084,382	8,261,946	9,346,328
1850	3,407,695	3,458,339	6,866,034
1851	10,788,382	2,373,092	13,161,474
1852	1,081,130	2,876,737	3,957,867
1853	12,518,560	803,879	13,322,439
1854	21,061,128	84,955	21,146,083
1855	17,897,112	1,020,012	18,917,124
1856	20,334,076	2,168,888	22,502,964
Totals	90,156,835	34,482,646	124,639,481

COMPARATIVE SUMMARY OF ENGLISH AND FRENCH COINAGE, *from* 1845 *to* 1856.

	Gold. £	Silver. £	Total. £
French Coinage	90,156,835	34,482,646	124,639,481
English Coinage	62,117,784	3,389,595	65,507,379
Increase of French over English Coinage	28,039,051	31,093,051	59,132,102

In reference to the great increase in the gold coinage at the London Mint in 1852 and 1853, the increased demand was principally caused by the export of sovereigns to Australia to purchase gold dust: an additional cause for the demand in 1853, was the deficiency of the crops. The amount of silver given above includes coinage for the British colonies.

The great increase of coinage in France in 1848 and 1849 arose from the demands for specie, created by the revolutionary state of Paris and the continent at that period. The large amounts coined during the four years ending 1856, have arisen from a state of things that scarcely require explanation—war, deficient harvests, and silk crops.

The London Mint, be it observed, is only open to the free coinage of *gold;* the coinage of *silver*, since the passing of the Silver Coinage Act of 1816, has been wholly controlled by the Treasury and the authorities at the Mint; so that whoever wishes to convert silver spoons or other silver articles into the coin of the realm, must either take them to a pawnbroker, or to a bullion dealer: a privilege that is specially confined to Great Britain.

TABLE *of the* HIGHEST *and* LOWEST PRICES *of* CONSOLS, *from the Year* 1789 *to* 1856 *inclusive.*

Years.	Dates.	Prices.	Years.	Dates.	Prices.
1789	September .. 15	81¼	1823	December .. 21	85¾
	January 29	71⅝		March..... 1	72
1790	April 23	80⅞	1824	April 28	96⅞
	May..... 10	70½		January 7	84¾
1791	September.. 6	89¾	1825	January 5	94¼
	March..... 28	75¾		December .. 20	75
1792	March..... 16	97⅛	1826	November .. 18	84½
	December .. 3	72½		February .. 14	73⅞
1793	April 9	81	1827	August 1	89½
	February .. 12	70½		January 19	76¾
1794	January 2	72⅜	1828	September .. 12	88⅜
	December .. 16	62¾		January 6	80⅞
1795	December .. 16	70½	1829	December .. 29	94¼
	January 23	61		January 19	85⅝
1796	January 12	70⅝	1830	January 1	94¼
	December .. 30	53¼		November .. 8	77½
1797	January 17	56½	1831	May..... 31	84¾
	June 1	*47½		March..... 9	74⅞
1798	November .. 7	58	1832	June 1	85¾
	August 23	†47¼		January 21	81⅝
1799	September.. 3	69	1833	June 7	91¼
	January 29	52⅝		January 17	84¼
1800	September.. 29	67¼	1834	May..... 13	93
	January 29	60		January 17	87½
1801	October 14	70	1835	April 24	92⅞
	January 26	54¼		August 26	89¼
1802	April 6	79	1836	January 5	92¼
	January 22	66		December .. 22	86⅝
1803	May..... 6	73	1837	December .. 2	93⅞
	July..... 28	50¼		January 6	87⅞
1804	December .. 6	58⅞	1838	May..... 31	95¼
	January 6	53¾		January 6	90⅝
1805	January 14	62	1839	May..... 31	93⅞
	April 8	57		September .. 3	89¼
1806	August 4	64⅝	1840	June 3	93⅛
	December .. 1	58½		October 8	85¾
1807	November .. 17	64⅜	1841	April 15	90½
	January 23	57⅝		October 11	87¼
1808	June 17	69⅛	1842	December .. 9	95⅛
	January 7	62⅝		January 13	88½
1809	November .. 10	70⅜	1843	March..... 10	97⅛
	January 19	63⅜		June 9	92⅛
1810	May..... 22	71	1844	December .. 4	101¼
	September .. 28	63¼		January 12	96½
1811	January 4	66¾	1845	January 4	100⅝
	July..... 16	61¾		November .. 27	91⅞
1812	January 7	63	1846	February .. 9	97¾
	July..... 10	55⅛		December .. 16	93¼
1813	December .. 24	67½	1847	January 2	94
	July..... 14	54½		October 19	78¾
1814	April 9	72½	1848	February .. 18	90
	March..... 31	61½		April 6	79⅞
1815	January 21	65¾	1849	December .. 11	97⅝
	June 15	53⅞		January 5	88⅝
1816	May..... 30	64⅝	1850	December .. 12	98¾
	January 10	59½		February .. 14	94⅝
1817	December .. 6	84¼	1851	November .. 19	99⅛
	January 15	62		August 29	95¾
1818	April 15	82	1852	December .. 9	101¾
	August 29	73		January 24	95⅞
1819	January 23	79	1853	April 25	101
	May..... 26	64⅞		September .. 27	90¾
1820	June 2	70¼	1854	March..... 30	85⅛
	September .. 28	65⅝		September .. 21	96¼
1821	October 22	78¾	1855	October 10	86¼
	January 17	68¾		March..... 5	93¾
1822	October 26	83	1856	January 14	85⅝
	January 21	75⅜		July 9	95⅞

* The Netherlands given up to France on the 14th April.
† Battle of the Nile August 1st, and the French army in Egypt.

TABLE OF THE LEGAL RATES OF INTEREST IN THE UNITED STATES OF AMERICA.

STATE.	Rates established by Law.	Rate permitted in Contracts.	Penalty for Usury.
Alabama.....	8	8	The whole interest is forfeited.
Arkansas	6	10	Usurious contracts are void.
California	10	Unlimited.	No penalty.
Connecticut	6	6	The whole interest is forfeited.
Delaware	6	6	The whole loan is forfeited—one-half to the State, one-half to the informer.
Florida	6	8	Usurious contracts are void.
Georgia	7	7	The whole interest forfeited.
prior to 1845	8	8	,, ,,
Illinois	6	10 Banks may charge 7.	Party suing on usurious contract forfeits three times the whole interest, and must pay costs; and a party having paid illegal excess, may recover back three times the amount so paid.
Indiana	6	6	Five times the amount of whole interest is forfeited.
Iowa	6	10	The whole interest is forfeited.
Kentucky	6	6	,, ,,
Louisiana	5	8	,, ,,
Maine.....	6	6	Illegal excess cannot be collected, and if paid, may be recovered back by suit brought within a-year.
Maryland	6	6	Illegal excess cannot be collected, and if paid, may be recovered back.
Massachusetts ..	6	6	Forfeiture of three times the amount of the illegal excess received, and the person having paid usury may recover three times the amount.
Michigan	7	10	The illegal excess cannot be collected, but there is no penalty.
Mississippi.....	6	8	The whole interest is forfeited.
Missouri.....	6	6	,, ,,
N. Hampshire ..	6	6	Penalty of three times the amount of the usury, to be deducted from the debt.
New Jersey	6	6 and 7	Usurious contracts are void.
New York.....	7	7	Usurious contracts are void. Usury paid may be recovered back, and the taking of usury is a misdemeanor.
North Carolina..	6	6	Usurious contracts are void.
Ohio	6	8	The whole interest is forfeited.
Pennsylvania....	6	6	Usurious contracts are not void, except as to excess; but the whole loan is forfeited, one-half to the State, one-half to party suing.
Rhode Island ..	6	6	Illegal interest cannot be collected, and if paid, may be recovered.
South Carolina..	6	6	The whole interest is forfeited.
Tennessee	6	6	No interest can be collected.
Texas	8	12	,, ,,
Vermont.....	6	6, and 7 on R. R. bonds.	Illegal excess cannot be collected, and if paid, may be recovered back.
Virginia	6	6	The whole loan is forfeited.
Wisconsin	7	12	,, ,,

ENGLISH

Summary of Receipts and Expenditure on Revenue

RAILWAY COMPANIES.	TOTAL RECEIPTS.		TOTAL EXPENDITURE.	
	1855.	1856.	1855.	1856.
	£	£	£	£
Ambergate†	28,599	31,815	7,556	7,560
Birkenhead	131,161	138,454	98,207	83,907
Blackburn	49,690	56,613	42,548	48,895
Blyth and Tyne	49,988	62,007	39,789	53,127
Bristol and Exeter	347,322	350,470	238,228	246,724
Chester and Holyhead	258,769	253,881	258,272	252,204
Cockermouth	9,054	10,598	7,095	9,076
East Anglian	47,955	52,711	47,946	52,690
,, Lancashire	365,624	413,228	226,521	249,720
Eastern Counties	892,999	934,961	755,875	825,355
,, Union	173,796	187,451	164,223	169,416
Furness	48,693	62,043	32,481	38,938
Great Northern	1,154,451	1,231,623	955,991	903,552
,, Western	1,427,633	1,580,480	1,226,157	1,336,705
Hull and Holderness	12,804	12,223	9,303	10,067
Kendal and Windermere	13,926	15,233	10,028	12,176
Lancashire and Yorkshire	1,067,155	1,157,711	712,662	738,394
Lancaster and Carlisle ,, Preston	309,982	325,251	150,619	144,972
Leeds, Bradford, and Halifax†	22,408	25,856	7,995	10,571
Llanelly	15,660	17,839	12,693	15,249
Llynvi Valley	9,165	15,729	4,820	5,259
London and Blackwall	76,030	82,974	41,692	47,302
,, Brighton	719,474	779,972	484,972	498,458
,, North Western	3,056,012	3,329,096	1,893,131	2,093,024
,, South Western	825,400	938,866	471,078	509,108
Manchester, Sheffield, and Lincolnshire	473,572	496,939	456,199	463,202
Maryport and Carlisle	49,502	54,383	40,696	40,540
Midland	1,544,713	1,649,790	1,157,936	1,230,268
Monmouthshire	98,905	109,280	90,041	96,100
Newcastle and Carlisle	167,040	175,288	111,013	113,658
Newport, Abergavenny, and Hereford	44,127	61,697	36,926	54,153
Norfolk	174,705	185,233	144,896	151,657
North Eastern (Berwick)	973,424	1,010,234	721,628	719,233
,, York	558,407	580,282	472,575	475,454
,, Leeds	191,631	183,352	183,172	183,125
North London	113,278	123,205	77,212	79,546
,, Staffordshire	335,623	407,098	222,569	237,518
,, Western	52,061	49,493	44,610	45,032
N. and S. Western Junction†	5,323	6,417	2,534	2,823
Oxford and Worcester	186,313	225,448	162,354	224,622
St. Helens	64,477	74,872	63,579	68,237
South Devon	126,412	135,085	113,154	110,253
,, Eastern	1,029,208	1,065,169	752,825	760,065
,, Wales	331,327	361,582	246,804	265,624
,, Yorkshire	70,752	92,631	58,529	78,250
Stockton and Darlington	320,205	354,079	253,023	273,194
Taff Vale	190,587	220,016	147,845	169,875
Vale of Neath	56,795	68,550	34,639	41,928
West Cornwall	30,790	33,052	26,938	27,328
Whitehaven	18,366	20,933	14,487	17,396
,, and Furness	14,357	18,532	16,418	18,497
Total	18,335,650	19,827,698	13,552,514	14,310,045
		18,335,650		13,552,514
Increase in 1856		1,492,048		757,531

* Compiled from J. S. Yeats's comparative

† The traffic on these lines is the net amount

RAILWAYS.*

Account, for the Years 1855 *and* 1856.

DIVIDENDS.				Balance end of Year.		RAILWAY COMPANIES.
Amount paid.		Rate per Cent. per Annum.				
1855.	1856.	1855.	1856.	1855.	1856.	
£	£	£ s. d.	£ s. d.	£	£	
19,726	23,283	2 15 0	3 3 9	1,317	972	Ambergate†
30,678	53,140	1 12 6	2 15 0	2,276	1,407	Birkenhead
Nil.	Nil.	..	..	7,142	7,718	Blackburn
9,000	8,500	9 0 0	8 10 0	1,199	380	Blyth and Tyne
90,000	95,000	4 10 0	4 15 0	19,094	8,746	Bristol and Exeter
Nil.	Nil.	..	..	497	1,677	Chester and Holyhead
1,410	1,223	1 17 6	1 11 3	549	299	Cockermouth
Nil.	Nil.	..	..	9	21	East Anglian
77,744	99,958	3 10 0	4 10 0	61,359	63,550	,, Lancashire
131,256	102,088	2 5 0	1 15 0	5,868	7,518	Eastern Counties
8,398	16,785	1 1 0	2 2 0	1,175	1,250	,, Union
12,854	19,280	6 0 0	8 0 0	3,358	3,825	Furness
198,348	84,148	4 2 6	3 10 0	112	243,923	Great Northern
185,316	226,497	2 5 0	2 15 0	16,160	17,278	,, Western
3,204	2,136	4 0 0	2 0 0	297	20	Hull and Holderness
1,563	626	1 10 0	0 12 0	2,335	2,431	Kendal and Windermere
349,852	409,258	4 2 6	4 15 0	4,611	10,059	Lancashire and Yorkshire
102,300	114,000	7 5 0	7 12 6	4,652	5,719	Lancaster and Carlisle
52,124	58,559	9 5 6	9 6 0	287	1	,, Preston
11,700	13,630	6 0 0	6 0 0	2,713	1,655	Leeds, Bradford, and Halifax†
1,997	1,997	1 0 0	1 0 0	970	593	Llanelly
2,764	3,456	4 0 0	5 0 0	1,581	7,014	Llynvi Valley
34,103	35,468	2 15 0	2 17 6	235	204	London and Blackwall
230,781	277,113	5 0 0	6 0 0	3,721	4,401	,, Brighton
1,114,369	1,227,862	5 0 0	5 10 0	48,512	8,192	,, North Western
342,736	422,716	5 0 0	6 0 0	11,586	7,042	,, South Western
9,735	29,237	0 5 0	0 15 0	7,638	4,500	Manch. Sheff. and Lincolnshire
5,852	7,523	3 10 0	4 10 0	2,954	6,320	Maryport and Carlisle
352,974	403,516	3 12 6	4 2 6	33,803	16,006	Midland
7,200	12,600	2 0 0	3 10 0	1,664	580	Monmouthshire
56,027	61,630	5 0 0	5 10 0	..	..	Newcastle and Carlisle
Nil.	Nil.	..	..	7,201	7,544	Newport, Abergavenny, and
29,743	32,222	3 0 0	4 0 0	66	1,354	Norfolk [Hereford
246,419	279,950	4 0 0	4 7 6	5,377	11,051	North Eastern (Berwick)
84,468	100,586	2 12 6	3 2 6	1,364	4,242	,, York
..	..	..	..	8,459	227	,, Leeds
35,917	42,870	4 0 0	4 15 0	149	789	North London
56,527	98,922	2 0 0	3 10 0	56,527	70,658	,, Staffordshire
7,437	4,419	0 18 9	0 11 3	14	42	,, Western
2,363	3,496	4 0 0	5 5 0	426	188	N. and S. Western Junction†
..	..	..	..	23,959	826	Oxford and Worcester
..	6,336	..	2 0 0	898	299	St. Helens
11,971	19,455	1 4 0	1 19 0	1,287	5,377	South Devon
269,470	303,543	3 12 6	4 1 8	6,913	1,561	,, Eastern
73,482	91,941	3 0 0	3 15 0	11,041	4,017	,, Wales
12,040	13,669	2 10 0	2 15 0	183	712	,, Yorkshire
40,663	50,273	9 0 0	9 10 0	26,519	30,612	Stockton and Darlington
41,195	44,352	7 10 0	8 0 0	1,547	5,789	Taff Vale
21,592	25,644	3 17 6	4 5 0	564	978	Vale of Neath
..	..	..	..	3,852	5,697	West Cornwall
3,000	2,500	3 0 0	2 10 0	879	1,037	Whitehaven
..	..	..	..	Dr. 2,061	35	,, and Furness
4,379,298	4,931,317			403,838	586,336	Total
	4,379,298				403,838	
	552,019				182,498	Increase in 1856

Statement of Railway Accounts.
as the working is performed by other Companies.

SCOTCH AND

Summary of Receipts and Expenditure on

RAILWAY COMPANIES.	TOTAL RECEIPTS.		TOTAL EXPENDITURE.	
	1855.	1856.	1855.	1856.
Scotch Lines.	£	£	£	£
Caledonian	590,422	626,032	513,553	550,790
,, and Dumbartonshire	24,693	26,106	6,671	7,059
Deeside	11,557	12,796	7,169	8,012
Dundee and Arbroath	28,936	31,429	21,054	22,521
,, Perth, and Aberdeen	44,027	49,557	41,319	43,890
Edinburgh and Glasgow	335,061	332,693	217,912	220,526
,, Perth, and Dundee	168,886	189,338	156,803	162,602
Glasgow and South Western	310,465	344,834	196,302	217,328
Great North of Scotland	34,123	46,368	30,301	39,573
Monkland	71,536	78,206	43,807	47,057
Morayshire	2,663	2,913	2,267	2,520
North British	264,369	279,229	263,402	213,280
Scottish Central	140,852	156,758	84,231	96,304
Aberdeen } Scottish N. Eastern	118,260	124,425	117,258	124,425
Scottish Midland } Scottish N. Eastern	54,053	57,977	28,371	31,744
Total	2,199,903	2,358,661	1,730,420	1,787,631
		2,199,903		1,730,420
Increase in 1856		158,758		57,211
Irish Lines.				
Belfast and Ballymena	54,232	64,141	23,615	26,844
,, and County Down	16,983	18,934	6,564	7,298
Cork and Bandon	14,896	16,009	11,796	12,891
,, and Passage	9,749	12,905	8,550	7,994
Dublin and Belfast	67,428	76,702	20,814	28,847
,, and Drogheda	79,448	83,700	51,173	52,698
,, and Kingstown	56,147	40,340	28,253	15,782
,, and Wicklow	18,230	37,682	14,100	24,708
Dundalk and Enniskillen	18,527	22,618	13,561	18,447
Great Southern and Western	344,338	370,575	195,179	202,383
Irish South Eastern	13,636	13,266	8,286	6,256
Killarney	16,040	21,113	11,867	11,620
Londonderry and Enniskillen	32,910	35,380	32,812	35,186
Midland Great Western	170,031	202,850	74,431	94,760
Newry and Enniskillen	4,737	1,931	4,664	2,049
,, and Rostrevor	3,595	4,843	2,910	4,189
Ulster	71,870	74,939	47,119	37,612
Waterford and Kilkenny	14,895	17,933	16,619	17,220
,, and Limerick	78,969	87,930	48,789	56,833
,, and Tramore	5,464	5,341	3,606	4,543
Total	1,092,125	1,209,132	624,708	668,160
		1,092,125		624,708
Increase in 1856		117,007		43,452

IRISH RAILWAYS.

Revenue Account, for the Years 1855 *and* 1856.

DIVIDENDS.				Balance at end of Year.		RAILWAY COMPANIES.
Amount paid.		Rate per Cent. per Annum.				
1855.	1856.	1855.	1856.	1855.	1856.	
						SCOTCH LINES.
£	£	£ s. d.	£ s. d.	£	£	
76,328	68,711	2 10 0	2 5 0	541	6,531	Caledonian
6,024	6,624	4 0 0	4 0 0	11,998	12,423	,, & Dumbartonshire
3,984	4,195	5 0 0	5 0 0	404	589	Deeside
6,500	7,000	3 5 0	3 10 0	1,382	1,908	Dundee and Arbroath
1,348	4,867	0 10 0	1 15 0	1,360	800	,, Perth, and Aberdeen
44,468	50,026	2 0 0	2 5 0	72,681	62,141	Edinburgh and Glasgow
6,280	20,663	0 10 0	1 15 0	5,803	6,073	,, Perth, and Dundee
107,342	124,655	3 17 6	4 10 0	6,821	2,851	Glasgow and South Western
3,172	6,229	1 5 0	2 5 0	650	566	Great North of Scotland
19,793	22,233	6 2 0	6 15 0	7,936	8,916	Monkland
494	494	2 0 0	2 0 0	Dr. 98	Dr. 101	Morayshire
Nil.	62,550	....	2 10 0	967	3,399	North British
51,000	53,550	5 0 0	5 5 0	5,621	6,904	Scottish Central
Nil.	Nil.	....	....	1,002	....	Aberdeen ..... } Scottish N.
20,570	21,304	3 10 0	3 12 6	5,112	4,929	Scottish Midland } Eastern
347,303	453,101			122,180	117,929	Total
	347,303			117,929		
	105,798					Increase in 1856
				4,251		Decrease
						IRISH LINES.
17,325	24,063	4 10 0	6 5 0	13,292	13,234	Belfast and Ballymena
6,796	7,155	2 16 0	2 18 0	3,623	4,481	,, and County Down
Nil.	Nil.	....	....	3,100	3,118	Cork and Bandon
....	3,874	....	3 5 0	1,199	1,037	,, and Passage
38,800	39,636	5 0 0	5 0 0	7,814	8,219	Dublin and Belfast
24,240	25,589	4 5 0	4 10 0	4,035	5,413	,, and Drogheda
23,800	24,400	8 0 0	8 0 0	4,094	158	,, and Kingstown
Nil.	Nil.	....	....	4,130	12,974	,, and Wicklow
3,428	3,428	2 0 0	2 0 0	1,538	743	Dundalk and Enniskillen
125,000	150,000	5 0 0	6 0 0	24,159	18,192	Great Southern and Western
4,622	6,304	2 1 8	2 15 10	728	706	Irish South Eastern
1,893	5,679	1 10 0	4 10 0	2,280	3,814	Killarney
Nil.	Nil.	....	....	98	194	Londonderry and Enniskillen
50,561	55,842	5 0 0	5 0 0	45,039	52,248	Midland Great Western
Nil.	Nil.	....	....	73	Dr. 118	Newry and Enniskillen
....	....	....	....	685	654	,, and Rostrevor
21,804	27,514	5 6 6	5 10 0	2,947	9,813	Ulster
Nil.	Nil.	....	....	Dr. 1,724	713	Waterford and Kilkenny
....	....	....	....	30,180	31,097	,, and Limerick
1,440	720	5 0 0	2 10 0	418	78	,, and Tramore
319,709	374,204			147,708	166,768	Total
	319,709				147,708	
	54,495				19,060	Increase in 1856

DIVIDENDS PAID BY BRITISH AND IRISH MINES *in the Year ending 31st December, 1856; with the Market Value of the Shares at the beginning and end of the Year.*

No. of Shares.	Name of Mine.	Total Dividends paid in the year 1856. Per Share.	Total Dividends paid in the year 1856. Amount	Market value per Share on 1st Jan. 1856	Market value per Share on 31st Dec. 1856
		£ s. d.	£	£	£
5120	Alfred Consols	1 14 0	8704	18	18½
4000	Bedford United	0 12 6	2500	10	7½
200	Botallack	29 0 0	5800	250	180
6000	Bwlch Consols	0 2 6	750	3½	17*s.* 6*d.*
240	Boscean	12 0 0	2880	90	95
100	Brightside	6 0 0	600	—	60
100	Brynford Hall	13 0 0	1300	60	—
1000	Bryntail	0 5 0	250	7	5
2048	Carnyorth	0 6 0	614	4	6
256	Condurrow	15 0 0	3840	135	170
128	Cwmystwith	20 0 0	2560	—	160
1400	Derwent	2 0 0	2800	—	—
1024	Devon Great Consols	58 0 0	59392	400	430
179	Dolcoath	28 10 0	5101	90	210
642	Ding Dong	—	7056	—	30
12800	Drake Walls	0 2 6	1600	10*s.*	1¾
5700	Exmouth and Adams	0 18 0	5130	8	8
1400	Eyam	3 0 0	4200	—	25
300	East Daren	10 0 0	3000	85	90
128	East Pool	25 0 0	3200	—	325
4940	Fowey Consols	0 15 0	3705	—	—
2560	Foxdale	5 0 0	12800	—	42
119	Great Work	32 10 0	3867	130	—
6000	Hingston Down	0 12 0	3600	7	3½
2000	Holyford	0 10 0	1000	—	—
160	Levant	8 0 0	1280	120	100
20	Laxey	50 0 0	1000	—	1200
400	Lisburne	21 10 0	8600	—	120
1024	Mary Ann	7 10 0	7680	19	42
5000	Mendip Hills	0 5 0	1250	—	—
20000	Mining Co. of Ireland	0 14 0	14000	14	15¼
6400	Nether Heath	—	320	—	—
470	Newtonards	2 0 0	940	—	—
6000	North Bassett	4 9 6	26850	41	36
6400	Par Consols	3 0 0	19200	18½	23
1000	Polberro	3 5 11	3295	—	—
560	Providence	—	10080	50	70
200	Phœnix	40 0 0	8000	—	400
2500	Rhoswydol	0 7 0	875	—	—
512	Rosewarne United	13 10 0	6905	135	45
94	St. Ives Consols	7 0 0	658	—	100
496	South Wheal Frances	53 0 0	26288	350	360
12000	Sortridge Consols	0 7 6	4500	4½	1½
256	South Caradon	48 0 0	12288	320	345
9000	South Tamar	0 10 0	4500	6⅝	—
280	Spearne Moor	0 15 0	210	—	—
4096	Trewetha	0 12 0	2456	3¼	3⅜
4000	Tretoil	0 5 0	1000	3	3
6000	Tincroft	0 15 0	4500	4	3¼
9600	Tamar Consols	0 2 6	1200	3	1
1024	Trelawny	1 0 0	1040	27½	20
400	United Mines	2 0 0	800	260	140
20000	Vale of Towy	0 2 3	2250	1⅛	17*s.* 6*d.*
6000	West Bassett	3 19 6	23850	37½	32
400	West Seton	34 0 0	13600	320	345
1024	West Providence	2 15 0	2816	14	14
256	West Damsel	2 0 0	512	70	85
512	Wheal Bassett	61 0 0	31232	400	265
256	Wheal Buller	90 0 0	23040	620	250
250	Wheal Clifford	22 0 0	5500	620	575
5000	Wheal Fortescue	1 6 0	375	—	—
1024	Wheal Kitty (Lelant)	2 5 0	2304	12½	15
5000	Wheal Kitty (St. Agnes)	0 3 0	750	—	7
430	Wheal Lovel	1 0 0	430	—	—
448	Wheal Margaret	8 15 0	3920	—	40
80	Wheal Owles	21 10 0	1720	—	—
198	Wheal Seton	14 10 0	2871	210	150
4096	Wheal Wrey	1 7 0	5530	10	8
5000	Wicklow Mines	0 10 0	2500	—	—
		Total....	£439,164		

A TABLE shewing the ANNUAL DIVIDENDS paid by the BANK OF ENGLAND, from 1697 to 1856; also the Highest and Lowest Quotations of BANK STOCK in each year, from 1732 to 1856, inclusive.

Year.	Dividend.	Stock.		Year.	Dividend.	Stock.		Year.	Dividend.	Stock.	
	Per Ct.	Highest.	Lowest.		Per Ct.	Highest.	Lowest.		Per Ct.	Highest.	Lowest.
1697	8	..	..	1751	5	142	135	1805	7	197	167
1698	7	..	..	1752	5	149	141	1806	7	223	191
1699	9½	..	..	1753	4½	144	135	1807	10	235	208
1700	10¾	..	..	1754	4½	135	130	1808	10	240	224
1701	9	..	..	1755	4½	162	119	1809	10	288	235
1702	12	..	..	1756	4½	121	114	1810	10	276	273
1703	16½	..	..	1757	4½	120	115	1811	10	251	229
1704	15¾	..	..	1758	4½	123	116	1812	10	232	212
1705	15½	..	..	1759	4½	123	109	1813	10	242	211
1706	18¼	..	..	1760	4½	114	101	1814	10	266	234
1707	7¾	..	..	1761	4½	116	98	1815	10	262	219
1708	12½	..	..	1762	4½	119	91	1816	10	262	215
1709	8½	..	..	1763	4½	131	111	1817	10	294	220
1710	7½	..	..	1764	4¾	127	112	1818	10	292	207
1711	7	..	..	1765	5	136	126	1819	10	267	210
1712	8	..	..	1766	5	139	135	1820	10	226	215
1713	8	..	..	1767	5¼	159	142	1821	10	240	221
1714	8	..	..	1768	5½	190	158	1822	10	252	235
1715	7¾	..	..	1769	5½	175	149	1823	8	246	204
1716	8	..	..	1770	5½	153	105	1824	8	245	227
1717	8	..	..	1771	5½	155	134	1825	8	299	196
1718	8	..	..	1772	5½	153	144	1826	8	223	193
1719	7½	..	..	1773	5½	143	139	1827	8	217	200
1720	7½	..	..	1774	5½	146	139	1828	8	215	203
1721	6	..	..	1775	5½	146	141	1829	8	218	208
1722	6	..	..	1776	5½	143	134	1830	8	203	194
1723	6	..	..	1777	5½	138	128	1831	8	204	189
1724	6	..	..	1778	5½	120	107	1832	8	208	185
1725	6	..	..	1779	5½	118	106	1833	8	213	190
1726	6	..	..	1780	5½	116	109	1834	8	225	211
1727	6	..	..	1781	5¾	119	105	1835	8	225	208
1728	5½	..	..	1782	6	124	109	1836	8	219	199
1729	5½	..	..	1783	6	134	112	1837	8	212	203
1730	5¾	..	..	1784	6	118	110	1838	8	208	201
1731	5¾	..	..	1785	6	142	111	1839	7	206	177
1732	5¾	152	109	1786	6	158	138	1840	7	179	156
1733	5½	151	130	1787	6	160	145	1841	7	173	157
1734	5½	140	132	1788	7	178	158	1842	7	173	165
1735	5½	146	138	1789	7	191	169	1843	7	185	172
1736	5½	151	148	1790	7	188	164	1844	7	211	185
1737	5½	151	142	1791	7	204	178	1845	7	215	199
1738	5½	145	140	1792	7	219	171	1846	7	211	199
1739	5½	144	115	1793	7	180	161	1847	7	206½	180
1740	5½	144	138	1794	7	169	153	1848	7	202	183
1741	5½	143	135	1795	7	180	152	1849	7	200	188½
1742	5½	143	136	1796	7	180	142	1850	7	216	203
1743	5½	148	145	1797	7	146	115	1851	7	216½	210
1744	5½	148	116	1798	7	138	118	1852	7½	234¾	216
1745	5½	147	133	1799	7	176	134	1853	8	230½	208
1746	5½	136	125	1800	6¾	175	154	1854	8	221½	201
1747	5	129	119	1801	7	190	148	1855	8	217½	205
1748	5	129	117	1802	7	207	178	1856	9½	220	205
1749	5	140	128	1803	7	193	136				
1750	5	136	131	1804	7	169	146				

ADVERTISEMENTS.

WESTERN BANK OF LONDON,

21, HANOVER SQUARE.

CAPITAL, £400,000, with power to increase to £1,000,000.

Incorporated by Letters Patent, under 7th and 8th Vict., c. 113.

THE WESTERN BANK OF LONDON

Has been established to afford to the West of the Metropolis the benefits which are derived by parties who transact their business with an independent Institution.

Circular Notes and Letters of Credit will be issued for all parts of Europe and elsewhere.

Current Accounts will be made up to the 30th of June and 31st of December in each year; and if the credit balance shall not at any time during the half-year have been below £500, interest at the rate of 2 per cent. per annum will be allowed on the minimum monthly balances. If not below £200, interest at the rate of 1 per cent. per annum will be allowed on the minimum monthly balances; but if under £200, no interest will be allowed.

DEPOSIT ACCOUNTS.

The rate of interest allowed on money placed on deposit, whether by customers or the public generally, at three days' notice of withdrawal, will be 1 per cent. per annum below the Bank of England rate of discount for first-class bills, rising and falling therewith; but the maximum not to exceed £5 per cent. per annum.

The Bank will also receive money on deposit for fixed periods, at rates to be agreed on.

The Agency of country and foreign Banks undertaken.

The pecuniary affairs of the customers are protected by a declaration of secresy.

Purchases and Sales effected in all the British and Foreign Stocks and Securities, and the dividends received without charge.

The Half-Pay, &c., of Officers, being customers, received without charge.

No fee or gratuity received by the clerks.

HENRY T. CLACK, *General Manager.*

BANK OF LONDON.

HEAD BANKING-HOUSE,

THREADNEEDLE STREET, LONDON;

CHARING CROSS BRANCH,

450, WEST STRAND, LONDON.

BOARD OF DIRECTORS.

Chairman—Sir John Villiers Shelley Bart., M.P.,
25, Park Lane, and Maresfield Park, Sussex.

Vice-Chairman—John Griffith Frith, Esq.,
(Frith, Sands, & Co., Austin Friars.)

John Edmund Anderdon, Esq.,
Stratford Place, Oxford Street.

Colonel William Elsey, H.E.I.C.S.,
Bank House, Acton.

Thomas Gooch, Esq.,
(Gooch and Cousens, London Wall,) Brixton Rise.

Jeremiah Greatorex, Esq.,
(Bradbury, Greatorex, & Co., Aldermanbury,) Spring Hill House, Upper Clapton.

Alexander Constantine Ionides, Esq.,
(Firm of Ionides, Sgouta, & Co., Gracechurch Street,) Tulse Hill.

Charles Joyce, Esq.,
(Firm of Chas. Joyce & Co., Moorgate Street,) Gloucester Gardens, Hyde Park.

Thomas Luce, Esq., M.P.,
King Street, St. James's, and Malmesbury, Wilts.

Henry Morris, Esq., late of the Madras Civil Service,
25, Mark Lane, City, and Teddington, Middlesex.

Sir Henry Muggeridge, Alderman of London,
St. Andrew's Hill, City, and High Ashurst, Dorking.

Alfred Wilson, Esq.,
(Venables, Wilson, and Tyler, Queenhithe,) Firgrove, Weybridge, Surrey.

MANAGER.
Matthew Marshall, Jun., Esq.

SECRETARY.
Benjamin Scott, Esq.

TERMS OF BUSINESS.

Current or Drawing Accounts received, and interest allowed on balances.

Deposit Accounts.—The rate of interest allowed on money placed on deposit at *three* days' notice of withdrawal is 1 per cent. per annum under the Bank of England rate of discount for first-class bills, rising and falling therewith.

The Agency of Country and Foreign Banks, whether Joint Stock or Private, is undertaken.

Circular Notes and Letters of Credit issued for all parts of Europe and elsewhere.

Purchases and Sales of Stock, Shares, and other Securities effected.

Dividends received for Customers without charge, and every description of legitimate Banking business undertaken.

London, July, 1857. M. MARSHALL, Jun., *Manager.*

THE LONDON AND COUNTY JOINT STOCK BANKING COMPANY.

ESTABLISHED 1836.

Subscribed Capital, £1,250,000.—Paid-up Capital, £500,000.
Reserved Fund.....£100,000.

Directors.

PHILIP PATTON BLYTH, ESQ.
J. W. BURMESTER, ESQ.
WILLIAM CORY, ESQ.
JAMES ANDREW DURHAM, ESQ.
JOS. CHRISTOPHER EWART, ESQ. M.P.
AUBREY ALEX. HOGHTON, ESQ.
WILLIAM CHAMPION JONES, ESQ.
JAMES LAMING, ESQ.
JOHN HENRY LANCE, ESQ.
WILLIAM LEE, ESQ. M.P.
WILLIAM NICOL, ESQ.
RICHARD SPRINGETT, ESQ.

Trustees.

J. W. BURMESTER, ESQ. | WILLIAM CORY, ESQ. | J. A. DURHAM, ESQ.

Auditors.

FREDK. GASKELL, ESQ. | HENRY OVERTON, ESQ. | JOHN WRIGHT, ESQ.

General Manager—WILLIAM MCKEWAN, ESQ.

Chief Inspector.
W. J. NORFOLK, ESQ.

Chief Accountant.
JAMES GRAY, ESQ.

Inspector of Branches.
J. TULLOCH, ESQ.

Solicitors.
MESSRS. WILKINSON & CO.

Secretary—R. P. NICHOLS, ESQ.

HEAD OFFICE—21, LOMBARD STREET.

Metropolitan Branches.

BOROUGH BRANCH, 201, *High-street, Borough—Manager*, W. K. MILWARD.
OXFORD STREET BRANCH, 441, *Oxford-street—Manager*, T. A. THOMPSON.
PADDINGTON BRANCH, *Connaught-ter., Edgware-rd.—Manager*, C. A. BENTHAM.
WEST LONDON BRANCH, *Albert-gate, Knightsbridge—Manager*, H. H. BUXTON.

The LONDON AND COUNTY BANK opens *Drawing Accounts* at the Offices in London with commercial houses and private individuals, either upon the plan usually adopted by other bankers, or by charging a small commission to those persons to whom it may not be convenient to sustain an agreed permanent balance; interest is allowed at the rate of £1 per cent. per annum on the minimum balance over £200 during the month, of each drawing account, the same being passed to the credit of the customer at the expiration of each quarter.

Deposit Accounts.—Interest is allowed upon these accounts at the rate of £1 per cent. per annum under the minimum charge of the Bank of England for the discount of first class bills—the amounts may be withdrawn upon giving seven days' notice.

Great facilities are afforded to the customers of this Bank for the receipt of money from the towns where the Company has branches.

The officers of the Bank are bound not to disclose the transactions of any of its customers.

By Order of the Directors,
WM. McKEWAN,
General Manager.

21, *Lombard-street.*

ALLIANCE (FRANCE AND ENGLAND) BANK.

CAISSE L'ALLIANCE (ANGLO FRANÇAISE).

SOCIÉTÉ EN COMMANDITE:

RAISON SOCIALE, CH. STOKES & CIE.,

101, RUE NEUVE DES PETITS CHAMPS, PARIS.

CAPITAL £200,000,
With power of increase to £800,000.

London Agents—MESSRS. THOMAS GREEN & CO., 31, Threadneedle-st.

ESTABLISHED FOR FACILITATING

INTERNATIONAL BANKING BUSINESS.

Bills and Letters of Credit on Paris, Constantinople, and other Continental Cities, can be obtained of the London Agents. Cheques, Bills, Coupons, &c. (payable in Paris), collected at a charge of one-eighth per cent.

THE LONDON
CHARTERED BANK OF AUSTRALIA.

INCORPORATED BY ROYAL CHARTER, 1852.

CAPITAL £700,000, with power to increase to **£1,000,000.**

LONDON OFFICE—17, CANNON STREET, CITY.

COURT OF DIRECTORS.

DUNCAN DUNBAR, ESQ., *Chairman.*
WILLIAM FANE DE SALIS, ESQ., *Deputy-Chairman.*

CHARLES GEORGE BARNETT, ESQ.
RICHARD HENRY BROWNE, ESQ.
ANSELMO DE ARROYAVE, ESQ.
JAMES DENIS DE VITRÉ, ESQ.
THOMAS DYER EDWARDS, ESQ.
JAMES FRASER ESQ.
PATRICK DOUGLAS HADOW, ESQ.
ALEXANDER HOYES, ESQ.
FOWLER NEWSAM, ESQ.
JAMES NELSON SMITH, ESQ.

AUDITORS.

JOHN GURNEY HOARE, ESQ.
THOMAS CHAPMAN, ESQ.

BANKERS.

Messrs. BARNETT, HOARES, & Co.

SOLICITORS.

Messrs. J. C. & H. FRESHFIELD.

SECRETARY.

G. M. BELL, ESQ.

Branches—Melbourne, Sydney, Geelong, Maryborough, Ballarat, Fiery Creek, and Beechworth.
Agencies—Dunolly and Adelaide.

The Court of Directors grant Letters of Credit and Bills of Exchange upon their Branches at Melbourne, Sydney, Geelong, Maryborough, and Ballarat.

Bills on the Australian Colonies negociated and sent for Collection.

BANK OF NEW SOUTH WALES,

(Established 1817, *Incorporated by Act of the Colonial Legislature in* 1850, *and confirmed by her Majesty in Council,)*

37, CANNON STREET, CITY.

The Board of Directors GRANT LETTERS of CREDIT, payable on demand, and BILLS of EXCHANGE, at thirty days' sight, on the undermentioned Establishments of the Corporation, at the rate of £101 for every £100 Sterling paid here:—

New South Wales.			Victoria.		
Sydney	Ipswich	Mudgee	Melbourne	Castlemaine	Sandhurst
Maitland	Bathurst	Tamworth	Geelong	Ballarat	Beechworth
Newcastle	Albury	Rocky River	Kyneton		
Brisbane					

And also on the Commercial Bank of Van Diemen's Land at Hobart Town and Launceston.

The Directors also negotiate approved Bills of Exchange, and send them for collection, drawn on any of the Australian colonies.

The Western Bank of Scotland, Stuckey's Banking Company, the Manchester and Liverpool District Bank, and the North and South Wales Bank are authorized to grant credits on this Bank at the several Establishments in Australia, and will negotiate bills drawn on the Australian colonies.—By order of the London Board,

JOHN SIMPSON, *Secretary.*

THE BANK OF EGYPT.

The Directors grant *Letters of Credit,* payable on demand, and negociate approved *Bills of Exchange* on *Alexandria.*

By Order of the Court,

EDWARD CHESHIRE,
Secretary.

26, *Old Broad-Street.*

THE LIVERPOOL AND LONDON

FIRE & LIFE INSURANCE COMPANY.

CASTLE STREET, LIVERPOOL.
POULTRY, LONDON.
KING STREET, MANCHESTER.
INGRAM STREET, GLASGOW.

ESTABLISHED 1836.

Life Insurance may be effected with this Company on either of two principles—a low premium and no bonus, or a somewhat higher premium, with a guaranteed bonus; and on a great variety of plans, adapted to the convenience of individuals. The large annuity business of the Company shews that the public appreciate its ample security and its terms.

Fire Insurance at the usual rates. The premiums in 1856 were upwards of £220,000.

Prospectuses and further information may be had on application at the Offices of the Company, or to any Agent.

NORWICH UNION
LIFE INSURANCE SOCIETY.

DECLARATION OF BONUS.

NOTICE.—That a Bonus has been declared for the past Quinquennial period upon all participating Policies, making an addition thereto of the aggregate sum of £260,627. The Bonus may be applied either as an addition to the sum assured, or in reduction of the premiums.

This Society has been established Forty-eight Years, during which it has paid to the representatives of 6,051 deceased members £4,907,376. During the five years since the last declaration of Bonus, it has paid £1,048,687 18*s.* 1*d.*,—namely, £865,427 19*s.* 3*d.* sums assured, and £183,259 18*s.* 10*d.* bonuses thereon. At the expiration of that term 10,132 Policies were in force, insuring £5,592,427 13*s.* 1*d.*, while its accumulated capital amounted to £2,195,271. It is one of the very few purely Mutual Offices; its Rates of Premium are much below those usually charged; and it offers to its members the full advantage of the system of Life Assurance.

For Reports of the General Meeting, Prospectuses, and Forms of Proposal, apply to the Society's Offices, Surrey-street, Norwich, and 6, Crescent, New Bridge-street, Blackfriars, London.

EXCHANGE, BULLION, AND FOREIGN BANKING OFFICE,
No. 79, LOMBARD STREET.

FOREIGN MONEY, in Gold and Silver, exchanged on the most favorable rate.
BANK NOTES, English Country Notes, Irish, Scotch, and all Foreign Notes exchanged.
DRAFTS and LETTERS of CREDIT granted on the principal Cities on the Continent.
MONEY FORWARDED, in any Sums, to any Town or Village, however remote, in any part of the Continent or America.
FOREIGN and ENGLISH STOCK, SHARES, and BONDS purchased and sold at the current price of the day.
MONEY COLLECTED in any part of the Continent or America.
GOLD and SILVER BULLION, in Bars or otherwise, and Old Plate purchased.
DISCOUNTS.—Bankers' and approved Bills of Exchange discounted.
DEPOSITS received, for which the current interest is allowed.
COUPONS of the various Foreign Stocks and Railway Shares cashed on presentation.
CONSIGNMENTS of BULLION from Abroad punctually attended to.
LIGHT GOLD COINS, Old Guineas, Light Sovereigns, &c., purchased.

CIRCULAR NOTES, OR LETTERS OF CREDIT.

TRAVELLERS proceeding to the Continent of Europe, or elsewhere, may be supplied with Circular Notes or Letters of Credit, so exceedingly convenient to the Tourist and man of business; they are issued for the value of £5 and £10, payable, without deduction.

ADAM SPIELMANN & Co.

WM. DAWSON & SONS,

Stationers, Account Book and Envelope Manufacturers,

Printers, Engravers, and Lithographers.

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Dies cut to order, with name of firm, &c., in the best manner.

Merchants and Shippers supplied on liberal terms.

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ESTABLISHED 1809.

ESTABLISHED 1809.

OFFICES for the insertion of ADVERTISEMENTS in all the London and Country Newspapers.

The London Newspapers supplied in town, and by post to all parts of the country and abroad.

WM. DAWSON & SONS,

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*** *Lists on application.*

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Wholesale and Export Stationers and Booksellers.

Every description of PAPER and STATIONERY suitable to the various markets.—Selections of BOOKS made, and carefully packed, on the lowest terms for Cash.

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The only Patentee and Manufacturer of DRILL-PROOF DOORS, without which, for the safe keeping of property of value, no Safe is secure.

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1857